AB-130 Employment. (2023-2024)

Date Published: 07/10/2023 09:00 PM

Assembly Bill No. 130

CHAPTER 39

An act to amend Sections 19824, 19826, 20677.4, 20677.5, 20677.5.1, 20683, 20683.1, 20683.6, 20683.61, 20683.62, 20683.71, 20683.77, 20683.78, 20683.81.3, 20683.9, 20683.91, 20687, 65852.24, 65912.130, and 65913.4 of, and to add Section 20825.16 to, the Government Code, to amend Sections 1455 and 1771.3 of, to amend, repeal, and add Section 1725.5 of, to add Sections 1771.15 and 1773.35 to, and to add, repeal, and add Section 1725.6 of, the Labor Code, and to amend Sections 995 and 14531 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor July 10, 2023. Filed with Secretary of State July 10, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 130, Committee on Budget. Employment.

(1) Existing law, the State Civil Service Act, regulates employment with the state and vests in the Department of Human Resources all powers, duties, and authorities necessary to operate the state civil service system in accordance with Article VII of the California Constitution, the Government Code, the merit principle, and applicable rules duly adopted by the State Personnel Board. Existing law requires, except as specified, that the Controller establish and maintain a payroll of all persons employed by every state agency.

Existing law requires, unless otherwise provided by law, that the salaries of state officers be paid monthly out of the General Fund.

This bill, instead, would require the salaries of state officers and employees to be paid out of the General Fund, or another recognized state fund which a respective employee’s position is funded, on a uniform payroll cycle established by the department.

Under existing law, if there is a conflict between the above-described state officer payment provision and a memorandum of understanding reached between the Governor and the recognized employee organization, the memorandum of understanding is controlling without further legislative action, except as specified.

This bill would delete that provision.

(2) Existing law requires the department to establish and adjust salary ranges for each class of position in the state civil service, as specified, and to submit a report containing its findings relating to the salaries of employees in comparable occupations in private industry and other governmental agencies at least 6 months before the end of the term of an existing memorandum of understanding or immediately upon the reopening of negotiations under an existing memorandum of understanding.

This bill would instead require that the department submit this report biennially beginning on either February 1, 2025, or February 1, 2026, as specified based on the bargaining units included in the report.

(3) The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS) for the purpose of providing public employees pension and benefits to state employees and their beneficiaries and prescribes the rights and duties of employers participating in the system. Under PERL, benefits are funded by investment income and employer and employee contributions, which are deposited into the Public Employees' Retirement Fund, a continuously appropriated trust fund administered by the system's board of administration. The PERL and labor agreements prescribe different normal rates of contribution for employees depending on bargaining unit, employer, and inclusion of service in the federal social security system, among other factors.

Existing laws that prescribe these normal rates of contribution for certain of these categories of employees also authorize the Director of the Department of Human Resources to exercise their discretion to establish the normal rate of contribution, as described above, for a state employee within the subject category who is excepted from a specific statutory definition of "state employee" or is an officer or employee of the executive branch of state government who is not a member of the civil service, subject to certain conditions. Some, but not all, of these authorizations require the director to exercise this discretion to set a normal contribution rate for these employees in a manner consistent with other state employees.

This bill would require the director, when acting under all of these authorizations, to exercise discretion to establish retirement rates for excepted employees and employees who are not members of the civil service in a manner consistent with other state employees.

Existing laws authorize the director to determine the effective date of these contribution rates but prohibit an effective date any earlier than the beginning of the pay period following notice of the contribution rates to the PERS board.

This bill would authorize the director to determine the effective date of the contribution rate without being subject to these prohibitions.

By authorizing the deposit of increased amounts into a continuously appropriated fund, this bill would make an appropriation.

This bill would also make nonsubstantive changes to those provisions.

(4) PERL prescribes methods for the calculation and payment of the state employer contribution for its employees who are PERS members. PERL provides for an annual adjustment of the state's contribution in the budget and quarterly appropriations to the Public Employees' Retirement Fund from the General Fund and other funds that are responsible for payment of the employer contribution.

Existing law makes additional supplemental General Fund appropriations to the Public Employees' Retirement Fund for the 2020–21, 2021–22, and 2022–23 fiscal years. Supplemental payments connected with appropriations for the 2020–21, 2021–22, and 2022–23 fiscal years are to be apportioned to the state employee member categories generally, as directed by the Department of Finance, and to specified state employee member categories, including to the state miscellaneous member category, the industrial member category, the state safety member category, and the state peace officer/firefighter member category.

The California Constitution establishes the Budget Stabilization Account in the General Fund and requires the Controller, in each fiscal year, to transfer from the General Fund to the Budget Stabilization Account amounts that include a sum equal to 1.5% of the estimated amount of General Fund revenues for that fiscal year. These provisions further require, until the 2029–30 fiscal year, that the Legislature appropriate a percentage of these moneys, the amount of which is generated pursuant to specified calculations, for certain obligations and purposes, including addressing unfunded liabilities for state-level pension plans.

This bill would appropriate $1,657,000,000 from the General Fund for the purposes identified in the constitutional provisions described above, to supplement the state's appropriation to the Public Employees' Retirement Fund. The bill would specify that this appropriation represents a portion of the amount identified in a specific provision of the Budget Act of 2023. The bill would require the Department of Finance to provide the Controller with a schedule establishing the timing of specific transfers. The bill would require the supplemental payment to the Public Employees' Retirement Fund to be apportioned to specified state employee member categories, not to exceed $769,620,000 to the state miscellaneous member category, $44,500,000 to the state industrial member category, $99,924,000 to the state safety member category, and $742,956,000 to the state peace officer/firefighter member category. The bill would require the appropriation described above to be applied to the unfunded state liabilities for the state employee member categories that are in excess of the base amounts for the 2023–24 fiscal year.

(5) Existing law requires the Division of Labor Standards Enforcement, upon appropriation of funding for this purpose, to establish and maintain an outreach and education program for the purpose of promoting awareness of, and compliance with, labor protections that affect the domestic work industry and fair and dignified labor standards in this industry and other low-wage industries. Under existing law, the program would continue until June 30, 2024, with an opportunity to expand or renew contingent on allocation of state funds or identification of other revenue sources. Under existing law, these provisions become inoperative on July 1, 2024, and are repealed January 1, 2025.

This bill would remove the June 30, 2024, date on which the program would be discontinued. The bill would also remove the July 1, 2024, inoperative date and the January 1, 2025, repeal date, thereby making these provisions operative indefinitely.

(6) Existing law requires that, except as specified, not less than the general prevailing rate of per diem wages be paid to workers employed on public works and imposes misdemeanor penalties for a willful violation of this requirement. Existing law defines "public works," for the purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work done under contract and paid for, in whole or in part, out of public funds. Existing law generally requires a contractor or subcontractor to be registered with the Department of Industrial Relations to be qualified to bid on, be listed in a bid proposal, or engage in the performance of any public work contract. Existing law requires a contractor or subcontractor to meet specific conditions to qualify for this registration, including that a contractor or subcontractor pay a $400 initial application fee and an annual renewal fee set by the Director of Industrial Relations and that the contractor or subcontractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered, as specified.

This bill would require projects or developments undertaken pursuant to the Middle Class Housing Act of 2022, the Affordable Housing and High Road Job Act of 2022, and housing development approvals, as specified, to be subject to specified prevailing wage or skilled and trained workforce requirements. This bill would impose misdemeanor penalties for a willful violation of these provisions. The bill would impose separate requirements and fees on contractors and subcontractors in order to be qualified to be awarded contracts for, or engage in the performance of, these projects or developments. This bill would, after July 1, 2026, change the initial application fee to an unspecified amount. The bill would authorize the director to establish and adjust annual registration and renewal fees of up to $800 by publishing the fees on the department's internet website, but would subject the establishment or adjustment of registration and renewal fees in excess of $800 to the rulemaking provisions of the Administrative Procedure Act. The bill would, thereafter, require the director to publish those fees to the department's internet website. The bill would make conforming changes.

(7) Existing law establishes the State Public Works Enforcement Fund and directs all registration fees and other moneys, such as fines, to be deposited into the fund for, among other purposes, the reasonable costs of administering the registration provisions described above. Existing law also requires that the annual contractor registration renewal fee and any adjusted application or renewal fee be set in amounts that are sufficient to support the annual appropriation approved by the Legislature and not result in a fund balance greater than 25% of the appropriation. Existing law requires any balance in the fund greater than 25% of the appropriation to be applied as a credit when determining any fee adjustments for the subsequent fiscal year.

This bill would require the fees and other related fines associated with the new qualification requirements described above be deposited into the State Public Works Enforcement Fund. The bill would also require that the annual contractor registration renewal fees and any adjusted application or renewal fee, as specified, be set in amounts that are sufficient to support appropriations approved by the Legislature, the statewide general administrative costs assessed to the fund, and a prudent reserve fund of no less than 10% and no more than 20% of authorized expenditure levels. The bill would also require any year-end fund balance in excess of the prudent reserve fund be applied as a credit when determining any fee adjustments for the subsequent fiscal year.

By creating a new crime, this bill would impose a state-mandated local program.

(8) Existing law requires the Employment Development Department to submit to the Legislature in May and October of each year a report on the status of the Unemployment Fund and the Unemployment Compensation Disability Fund, containing actual and forecasted information on each fund, as specified.

This bill would instead require the department to submit to the Legislature the report described above in January and May of each year.

(9) Existing law establishes within the Workforce Services Branch of the Employment Development Department, the Community Economic Resilience Fund Program, to build an equitable and sustainable recovery from the impacts of COVID-19 on California's industries, workers, and communities, among other things, subject to an appropriation by the Legislature for these purposes. Existing law requires the branch to administer the program, along with an Inter-Agency Leadership Team consisting of the Labor and Workforce Development Agency, the Office of Planning and Research, and the Governor's Office of Business and Economic Development.

Under existing law, the program is required to include a focus on regions and communities most affected by the economic impact of COVID-19, as authorized in federal guidance, and whose economic distress has been exacerbated by COVID-19. Existing law also requires the Inter-Agency Leadership Team, in creating the program, to include guidelines and evaluation metrics that, at a minimum, support federal reporting.

This bill would revise and recast certain of the above provisions to, among other things, remove references to those regions and communities most affected by the economic impact of COVID-19, as authorized in federal guidance. The bill would also delete language referring to metrics that, at a minimum, support federal reporting. The bill would make related changes, including deleting other references to specified federal law and regulations within these provisions.

(10) Existing law requires high road transition collaboratives supported by the program to work directly with community capacity-building programs to support active and equitable community engagement.

This bill would revise and recast certain of the above provisions to, among other things, require the collaboratives to support other similar state-sponsored local and regional economic, workforce, and community development programs and initiatives, and to seek out and invite into the engagement process local and regional planning efforts whose mission is aligned with the program. The bill would also authorize a portion of grant funding to be reserved for making planning and implementation grants to Native American tribes under criteria and conditions determined by the Inter-Agency Leadership Team, consistent with the purposes of the program, as specified.

(11) Existing law requires implementation grants under the program to be awarded on a rolling and competitive basis, with the majority of funds to be used to provide economic development grants, through June 30, 2024, and grant recipients required to demonstrate a plan to fully spend or obligate all funds received by December 31, 2024.

This bill would extend the above-described timeframes for the award of those grants until June 30, 2025, and for recipients to fully spend or obligate funds received until December 31, 2025.

(12) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(13) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.
Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 19824 of the Government Code is amended to read:

19824. Unless otherwise provided by law, the salaries of state officers and employees shall be paid out of the General Fund, or other recognized state fund from which a respective employee's position is funded, on a uniform payroll cycle established by the department.

SEC. 2. Section 19826 of the Government Code is amended to read:

19826. (a) The department shall establish and adjust salary ranges for each class of position in the state civil service subject to any merit limits contained in Article VII of the California Constitution. The salary range shall be based on the principle that like salaries shall be paid for comparable duties and responsibilities. In establishing or changing these ranges, consideration shall be given to the prevailing rates for comparable service in other public employment and in private business. The department shall make no adjustments that require expenditures in excess of existing appropriations that may be used for salary increase purposes. The department may make a change in salary range retroactive to the date of application of this change.

(b) Notwithstanding any other law, the department shall not establish, adjust, or recommend a salary range for any employees in an appropriate unit where an employee organization has been chosen as the exclusive representative pursuant to Section 3520.5.

(c) (1) On February 1, 2025, and biennially thereafter, the department shall submit to the parties meeting and conferring pursuant to Section 3517 and to the Legislature, a report containing the department's findings relating to the salaries of employees in comparable occupations in private industry and other governmental agencies for Bargaining Units 2, 5, 6, 7, 9, 10, 12, 13, 16, 18, and 19.

(2) On February 1, 2026, and biennially thereafter, the department shall submit to the parties meeting and conferring pursuant to Section 3517 and to the Legislature a report containing the department's findings relating to the salaries of employees in comparable occupations in private industry and other governmental agencies for Bargaining Units 1, 3, 4, 5, 8, 11, 14, 15, 17, 20, and 21.

(d) If this section is in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a

memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 3. Section 20677.4 of the Government Code is amended to read:

20677.4. (a) (1) The normal rate of contribution for a state miscellaneous or state industrial member whose service is not included in the federal system shall be 6 percent of the compensation in excess of three hundred seventeen dollars ($317) per month paid to that member for service rendered on or after July 1, 1976.

(2) The normal rate of contribution for a state miscellaneous or state industrial member, who has elected to be subject to Section 21353.5 and whose service is not included in the federal system, shall be 6 percent of the member's compensation.

(3) The normal rate of contribution as established under this subdivision for a member whose service is included in the federal system, and whose service retirement allowance is reduced under Section 21354.1, because of that inclusion, shall be reduced by one-third as applied to compensation not exceeding four hundred dollars ($400) per month for service after the date of execution of the agreement including service in the federal system and prior to termination of the agreement with respect to the coverage group to which the member belongs.

(b) The normal rate of contribution for a state miscellaneous or state industrial member whose service has been included in the federal system shall be 5 percent of compensation in excess of five hundred thirteen dollars ($513) per month paid that member for service rendered on or after July 1, 1976.

(c) The normal rate of contribution for a state miscellaneous or state industrial member who is subject to Section 21076, 21076.5, or 21077 shall be determined in the manner described in Section 20683.2.

(d) A member who elected to become subject to Section 21353 solely for service rendered on or after the effective date of the election, as authorized by subdivision (c) of Section 21070 during the period between November 1, 1988, and October 31, 1989, is not required to make the contributions specified in Section 21073.

(e) A member who elects to become subject to Section 21354.1, as applicable, shall contribute at the rate specified in paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b), as determined by the member's status with the federal system, and the rate shall be applied from the first of the month following the date of the election. A member who makes the election shall also contribute for service prior to the date the contribution rate was applied, in the manner specified in Section 21073 or 21073.1, as applicable.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

(g) Consistent with the normal rate of contribution for all members identified in this section, the Director of Human Resources may exercise their discretion to establish the normal rate of contribution for a state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of Human Resources.

SEC. 4. Section 20677.5 of the Government Code is amended to read:

20677.5. (a) Notwithstanding any provisions of Section 20677.4 to the contrary, effective with the beginning of the pay period following the operative date of the amendments to this section made by Senate Bill 151 of the 2011–12 Regular Session, the normal rate of contribution for state miscellaneous or state industrial members who are subject to Section 21353 or 21354.1, and who are represented by State Bargaining Unit 2, shall be:

(1) Ten percent of the compensation in excess of three hundred seventeen dollars ($317) per month paid to a state industrial member whose service is not included in the federal system.

(2) Nine percent of compensation in excess of five hundred thirteen dollars ($513) per month paid to a state industrial member whose service has been included in the federal system.

(3) Effective July 1, 2022, nine and one-half percent of compensation in excess of three hundred seventeen dollars ($317) per month paid to a state miscellaneous member whose service is not included in the federal system.

(4) Effective July 1, 2022, eight and one-half percent of compensation in excess of five hundred thirteen dollars ($513) per month paid to a state miscellaneous member whose service is included in the federal system.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

(c) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contribution for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of the Department of Human Resources.

SEC. 5. Section 20677.5.1 of the Government Code is amended to read:

20677.5.1. (a) Notwithstanding Sections 20677.4, 20677.5, and 20683.1, effective July 1, 2023, the normal contribution rates for state miscellaneous or state industrial members who are represented by State Bargaining Unit 2 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2022–23 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the normal contribution rate established in Section 20677.5.

(b) If on July 1, 2023, the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state miscellaneous or state industrial members who are represented by State Bargaining Unit 2 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase or decrease by more than 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines the total normal cost rate increases or decreases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department Human Resources may exercise their discretion to establish the normal rate of contributions for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 6. Section 20683 of the Government Code is amended to read:

20683. (a) For each state member subject to Section 21369 or 21369.1, the normal rate of contribution shall be 6 percent of compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system. If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of the memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(b) Consistent with the normal rate of contribution for all members identified in this section, the Director of Human Resources may exercise their discretion to establish the normal rate of contribution for a state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of Human Resources.

(c) For each local safety member subject to Section 21369, the normal rate of contribution shall be 7 percent of compensation.

(d) The normal rate of contribution as established under this section for a local member whose service is included in the federal system and whose retirement allowance is reduced because of that inclusion shall be reduced by one-third as applied to compensation not exceeding four hundred dollars ($400) per month for service rendered after the date of execution of the modification of the federal-state agreement including those services in the federal system and prior to termination of the member's coverage under the federal system.

(e) The operative date of this section with respect to a local safety member shall be the date upon which the member becomes subject to Section 21369.

SEC. 7. Section 20683.1 of the Government Code is amended to read:

20683.1. (a) For each state safety member subject to Section 21369 or 21369.1 who is represented by State Bargaining Unit 2, the normal rate of contribution shall be 10 percent of compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system beginning with the pay period following the operative date of the amendments to this section made by Senate Bill 151 of the 2011–12 Regular Session. If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of the memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(b) Consistent with the normal rate of contribution for all members identified in this section, the Director of Human Resources may exercise their discretion to establish the normal rate of contribution for a state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of Human Resources.

SEC. 8. Section 20683.6 of the Government Code is amended to read:

20683.6. (a) Notwithstanding Sections 20677.4 and 20677.71, effective July 1, 2019, the normal rate of contribution for state miscellaneous members who are represented by State Bargaining Unit 9 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2016–17 fiscal year has increased by at least 1 percent.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater than the normal contribution rate established in Section 20677.71.

(b) If on July 1, 2019, the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state miscellaneous members who are represented by State Bargaining Unit 9 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase by more than 0.5 percent.

(c) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(d) After June 30, 2020, the normal rate of contribution shall return to the normal contribution rate established in Section 20677.71.

(e) On July 1, 2021, the normal rate of contribution shall return to the normal contribution rate that was in place on July 1, 2019, for a period of one year.

(f) Consistent with the normal rate of contribution for all members identified in this subdivision, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive

branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(g) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 9. Section 20683.61 of the Government Code is amended to read:

20683.61. (a) Notwithstanding Sections 20677.4, 20677.71, and 20683.2, effective July 1, 2019, the normal rate of contribution for state industrial members who are represented by State Bargaining Unit 9 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2016–17 fiscal year has increased by at least 1 percent.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater than the normal contribution rate established in Section 20683.2.

(b) If on July 1, 2019, the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state industrial members who are represented by State Bargaining Unit 9 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase by more than 0.5 percent.

(c) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(d) After June 30, 2020, the normal rate of contribution shall return to the normal contribution rate established in Section 20683.2.

(e) On July 1, 2021, the normal rate of contribution shall return to the normal contribution rate that was in place on July 1, 2019, for a period of one year.

(f) Consistent with the normal rate of contribution for all members identified in this subdivision, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(g) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 10. Section 20683.62 of the Government Code is amended to read:

20683.62. (a) Notwithstanding Sections 20683, 20677.91, and 20683.2, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 9 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2016–17 fiscal year has increased by at least 1 percent.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater than the normal contribution rate established in Section 20683.2.

(b) If on July 1, 2019, the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 9 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of 1 percent, but not to increase by more than 0.5 percent.

(c) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(d) After June 30, 2020, the normal rate of contribution shall return to the normal contribution rate established in Section 20683.2.

(e) On July 1, 2021, the normal rate of contribution shall return to the normal contribution rate that was in place on July 1, 2019, for a period of one year.

(f) Consistent with the normal rate of contribution for all members identified in this subdivision, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(g) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 11. Section 20683.71 of the Government Code is amended to read:

20683.71. (a) Notwithstanding Sections 20677.4, 20677.71, and 20683.2, effective July 1, 2019, the normal rate of contribution for state industrial members who are represented by State Bargaining Unit 10 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2016–17 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater than or less than the normal contribution rate established in Section 20683.2.

(b) On the July 1 of the fiscal year that the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state industrial members who are represented by State Bargaining Unit 10 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of 1 percent, but not to increase or decrease by more than 1 percent.

(c) Once established, the normal rate of contribution shall not be adjusted on account of a change to the normal cost rate unless the normal cost rate increases or decreases by more than 1 percent of payroll above or below the normal cost rate in effect at the time the normal rate of contribution is first established or, if later, the normal cost rate in effect at the time of the last adjustment to the normal rate of contribution under this subdivision. Furthermore, the increase or decrease to the normal rate of contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(e) On July 1, 2020, the normal rate of contribution shall return to the normal contribution rate established in Section 20683.2.

(f) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(g) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 12. Section 20683.77 of the Government Code is amended to read:

20683.77. (a) Notwithstanding Sections 20677.4 and 20677.6, effective July 1, 2021, the normal contribution rates for state miscellaneous or state industrial members who are represented by State Bargaining Unit 18 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2016–17 fiscal year has increased by 1 percent.

(2) Fifty percent of that normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater than the normal contribution rate established in Section 20677.6.

(b) On July 1 of the fiscal year after the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state miscellaneous or state industrial members who are represented by State Bargaining Unit 18 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase by more than 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines the total normal cost rate increases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department Human Resources may exercise their discretion to establish the normal rate of contributions for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 13. Section 20683.78 of the Government Code is amended to read:

20683.78. (a) Notwithstanding Sections 20677.9 and 20683, effective July 1, 2021, the normal contribution rates for state safety members who are represented by State Bargaining Unit 18 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2016–17 fiscal year has increased by 1 percent.

(2) Fifty percent of that normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater than the normal contribution rate established in Section 20677.9.

(b) On July 1 of the fiscal year that the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 18 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase by more than 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines the total normal cost rate increases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contributions for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 14. Section 20683.81.3 of the Government Code is amended to read:

20683.81.3. (a) Notwithstanding Sections 20683.1, 20683.2, and 20683.81.2, effective July 1, 2023, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 2 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2022–23 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the normal contribution rate established in Section 20683.81.2.

(b) If on July 1, 2023, the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 2 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase or decrease by more than 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines the total normal cost rate increases or decreases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department Human Resources may exercise their discretion to establish the normal rate of contributions for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 15. Section 20683.9 of the Government Code is amended to read:

20683.9. (a) Notwithstanding Sections 20677.8, 20681, 20683.2, and 20694, effective July 1, 2021, the normal rate of contribution for patrol members who are represented by Bargaining Unit 5 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the 2016–17 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of that normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the current employee contribution rate.

(b) On July 1 of the fiscal year after the board determines that the requirement of paragraphs (1) and (2) of subdivision (a) above have been met, the normal rate of contribution for patrol members who are represented by Bargaining Unit 5 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines the total normal cost rate increases or decreases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of eight hundred sixty-three dollars ($863) per month.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the

provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 16. Section 20683.91 of the Government Code is amended to read:

20683.91. (a) Notwithstanding Sections 20677.4 and 20677.7, effective July 1, 2021, the normal rate of contribution for state miscellaneous members who are represented by Bargaining Unit 5 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the 2016–17 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of that normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the current employee contribution rate.

(b) On July 1 of the fiscal year after the board determines that the requirement of paragraphs (1) and (2) of subdivision (a) above have been met, the normal rate of contribution for state miscellaneous members who are represented by Bargaining Unit 5 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines the total normal cost rate increases or decreases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise their discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

SEC. 17. Section 20687 of the Government Code is amended to read:

20687. (a) The normal rate of contribution for state peace officer/firefighter members subject to Section 21363, 21363.1, 21363.3, 21363.4, or 21363.8 shall be 8 percent of the compensation in excess of two hundred thirty-eight dollars ($238) per month paid to those members.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(c) Consistent with the normal rate of contribution for all members identified in this section, the Director of Human Resources may exercise their discretion to establish the normal rate of contribution for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of Human Resources.

SEC. 18. Section 20825.16 is added to the Government Code, to read:

20825.16. (a) (1) In addition to the appropriation required pursuant to Section 20814, the Legislature hereby appropriates one billion six hundred fifty-seven million dollars ($1,657,000,000) from the General Fund, for the purposes described in subclause

(IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution to supplement the state's appropriation to the Public Employees' Retirement Fund. The appropriation made by this section represents a portion of the amount identified in paragraph (3) of subdivision (d) of Section 35.50 of the Budget Act of 2023. The appropriation shall be consistent with the requirements of this section and at the direction of the Department of Finance. The Department of Finance shall provide to the Controller a schedule establishing the timing of specific transfers to be used as described in subdivision (b).

(2) The supplemental payment to the Public Employees' Retirement Fund described in paragraph (1) shall be apportioned to the following state employee member categories, as directed by the Department of Finance, not to exceed the following amounts:

(A) Seven hundred sixty-nine million six hundred twenty thousand dollars ($769,620,000) to the state miscellaneous member category.

(B) Forty-four million five hundred thousand dollars ($44,500,000) to the state industrial member category.

(C) Ninety-nine million nine hundred twenty-four thousand dollars ($99,924,000) to the state safety member category.

(D) Seven hundred forty-two million nine hundred fifty-six thousand dollars ($742,956,000) to the state peace officer/firefighter member category.

(b) The appropriation made in paragraph (1) of subdivision (a) shall be applied to the unfunded state liabilities for the state employee member categories described in paragraph (2) of subdivision (a) that are in excess of the base amounts for the 2023–24 fiscal year.

SEC. 19. Section 65852.24 of the Government Code is amended to read:

65852.24. (a) (1) This section shall be known, and may be cited, as the Middle Class Housing Act of 2022.

(2) The Legislature finds and declares all of the following:

(A) Creating more affordable housing is critical to the achievement of regional housing needs assessment goals, and that housing units developed at higher densities may generate affordability by design for California residents, without the necessity of public subsidies, income eligibility, occupancy restrictions, lottery procedures, or other legal requirements applicable to deed restricted affordable housing to serve very low and low-income residents and special needs residents.

(B) The state has made historic investments in deed-restricted affordable housing. According to the Legislative Analyst's Office, the state budget provided nearly five billion dollars ($5,000,000,000) in the 2021–22 budget year for housing-related programs. The 2022–23 budget further built on that sum by allocating nearly one billion two hundred million dollars ($1,200,000,000) to additional affordable housing programs.

(C) There is continued need for housing development at all income levels, including missing middle housing that will provide a variety of housing options and configurations to allow every Californian to live near where they work.

(D) The Middle Class Housing Act of 2022 will unlock the development of additional housing units for middle-class Californians near job centers, subject to local inclusionary requirements that are set based on local conditions.

(b) A housing development project shall be deemed an allowable use on a parcel that is within a zone where office, retail, or parking are a principally permitted use if it complies with all of the following:

(1) The density for the housing development shall meet or exceed the applicable density deemed appropriate to accommodate housing for lower income households in that jurisdiction as specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2.

(2) (A) The housing development shall be subject to local zoning, parking, design, and other ordinances, local code requirements, and procedures applicable to the processing and permitting of a housing development in a zone that allows for the housing with the density described in paragraph (1).

(B) If more than one zoning designation of the local agency allows for housing with the density described in paragraph (1), the zoning standards applicable to a parcel that allows residential use pursuant to this section shall be the zoning standards that apply to the closest parcel that allows residential use at a density that meets the requirements of paragraph (1).

(C) If the existing zoning designation for the parcel, as adopted by the local government, allows residential use at a density greater than that required in paragraph (1), the existing zoning designation shall apply.

(3) The housing development shall comply with any public notice, comment, hearing, or other procedures imposed by the local agency on a housing development in the applicable zoning designation identified in paragraph (2).

(4) The project site is 20 acres or less.

(5) The housing development complies with all other objective local requirements for a parcel, other than those that prohibit residential use, or allow residential use at a lower density than provided in paragraph (1), including, but not limited to, impact fee requirements and inclusionary housing requirements.

(6) The development and the site on which it is located satisfy both of the following:

(A) It is a legal parcel or parcels that meet either of the following:

(i) It is within a city where the city boundaries include some portion of an urban area, as designated by the United States Census Bureau.

(ii) It is in an unincorporated area, and the legal parcel or parcels are wholly within the boundaries of an urban area, as designated by the United States Census Bureau.

(B) (i) It is not on a site or adjoined to any site where more than one-third of the square footage on the site is dedicated to industrial use.

(ii) For purposes of this subparagraph, parcels only separated by a street or highway shall be considered to be adjoined.

(iii) For purposes of this subparagraph, “dedicated to industrial use” means either of the following:

(I) The square footage is currently being used as an industrial use.

(II) The most recently permitted use of the square footage is an industrial use.

(III) The site was designated for industrial use in the latest version of a local government’s general plan adopted before January 1, 2022.

(7) The housing development is consistent with any applicable and approved sustainable community strategy or alternative plan, as described in Section 65080.

(8) The developer has done both of the following:

(A) Certified to the local agency that either of the following is true:

(i) The entirety of the development is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(ii) The development is not in its entirety a public work for which prevailing wages must be paid under Article 2 (commencing with Section 1720) of Chapter 1 of Part 2 of Division 2 of the Labor Code, but all construction workers employed on construction of the development will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate. If the development is subject to this subparagraph, then for those portions of the development that are not a public work all of the following shall apply:

(I) The developer shall ensure that the prevailing wage requirement is included in all contracts for the performance of all construction work.

(II) All contractors and subcontractors shall pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(III) Except as provided in subclause (V), all contractors and subcontractors shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided therein.

(IV) Except as provided in subclause (V), the obligation of the contractors and subcontractors to pay prevailing wages may be enforced by the Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development, or by an underpaid worker through an administrative

complaint or civil action, or by a joint labor-management committee though a civil action under Section 1771.2 of the Labor Code. If a civil wage and penalty assessment is issued, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(V) Subclauses (III) and (IV) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this clause, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(VI) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing shall not apply if otherwise provided in a bona fide collective bargaining agreement covering the worker. The requirement to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(VII) All contractors and subcontractors shall be registered in accordance with Section 1725.6 of the Labor Code.

(VIII) The development proponent shall provide notice of all contracts for the performance of the work to the Department of Industrial Relations, in accordance with 1773.35 of the Labor Code.

(B) Certified to the local agency that a skilled and trained workforce will be used to perform all construction work on the development.

(i) For purposes of this section, “skilled and trained workforce” has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(ii) If the developer has certified that a skilled and trained workforce will be used to construct all work on development and the application is approved, the following shall apply:

(I) The developer shall require in all contracts for the performance of work that every contractor and subcontractor at every tier will individually use a skilled and trained workforce to construct the development.

(II) Every contractor and subcontractor shall use a skilled and trained workforce to construct the development.

(III) Except as provided in subclause (IV), the developer shall provide to the local agency, on a monthly basis while the development or contract is being performed, a report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code. A monthly report provided to the local government pursuant to this subclause shall be a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) and shall be open to public inspection. A developer that fails to provide a monthly report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code shall be subject to a civil penalty of ten thousand dollars ($10,000) per month for each month for which the report has not been provided. Any contractor or subcontractor that fails to use a skilled and trained workforce shall be subject to a civil penalty of two hundred dollars ($200) per day for each worker employed in contravention of the skilled and trained workforce requirement. Penalties may be assessed by the Labor Commissioner within 18 months of completion of the development using the same procedures for issuance of civil wage and penalty assessments pursuant to Section 1741 of the Labor Code, and may be reviewed pursuant to the same procedures in Section 1742 of the Labor Code. Penalties shall be paid to the State Public Works Enforcement Fund.

(IV) Subclause (III) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires compliance with the skilled and trained workforce requirement and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subparagraph, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(iii) Notwithstanding subclause (II) of clause (ii), a contractor or subcontractor shall not be in violation of the apprenticeship graduation requirements of subdivision (d) of Section 2601 of the Public Contract Code to the extent that all of the following requirements are satisfied:

(I) All contractors and subcontractors performing work on the development are subject to a project labor agreement that includes the local building and construction trades council as a party, that requires compliance with the

apprenticeship graduation requirements, and that provides for enforcement of that obligation through an arbitration procedure.

(II) The project labor agreement requires the contractor or subcontractor to request the dispatch of workers for the project through a hiring hall or referral procedure.

(III) The contractor or subcontractor is unable to obtain sufficient workers to meet the apprenticeship graduation percentage requirement within 48 hours of its request, Saturdays, Sundays, and holidays excepted.

(9) Notwithstanding subparagraph (B) of paragraph (8), a contract or subcontract may be awarded without a requirement for the use of a skilled and trained workforce to the extent that all of the following requirements are satisfied:

(A) At least seven days before issuing any invitation to prequalify or bid solicitation for the project, the developer sends a notice of the invitation or solicitation that describes the project to the following entities within the jurisdiction of the proposed project site:

(i) Any bona fide labor organization representing workers in the building and construction trades who may perform work necessary to complete the project.

(ii) Any organization representing contractors that may perform work necessary to complete the project.

(B) The developer seeks bids containing an enforceable commitment that all contractors and subcontractors at every tier will use a skilled and trained workforce to perform work on the project that falls within an apprenticeable occupation in the building and construction trades.

(C) For the purpose of establishing a bidder pool of eligible contractors and subcontractors, the developer establishes a process to prequalify prime contractors and subcontractors that agree to meet skilled and trained workforce requirements.

(D) The bidding process for the project includes, but is not limited to, all of the following requirements:

(i) The prime contractor shall be required to list all subcontractors that will perform work in an amount in excess of one-half of 1 percent of the prime contractor’s total bid.

(ii) The developer shall only accept bids from prime contractors that have been prequalified.

(iii) If the developer receives at least two bids from prequalified prime contractors, a skilled and trained workforce must be used by all contractors and subcontractors, except as provided in clause (vi).

(iv) If the developer receives fewer than two bids from prequalified prime contractors, the contract may be rebid and awarded without the skilled and trained workforce requirement applying to the prime contractor’s scope of work.

(v) Prime contractors shall request bids from subcontractors on the prequalified list and shall only accept bids and list subcontractors from the prequalified list. If the prime contractor receives bids from at least two subcontractors in each tier listed on the prequalified list, the prime contractor shall require that the contract for that tier or scope of work will require a skilled and trained workforce.

(vi) If the prime contractor fails to receive at least two bids from subcontractors listed on the prequalified list in any tier, the prime contractor may rebid that scope of work. The prime contractor need not require that a skilled and trained workforce be used for that scope of work and may list subcontractors for that scope of work that do not appear on the prequalified list.

(E) The developer shall establish minimum requirements for prequalification of prime contractors and subcontractors that are, to the maximum extent possible, quantifiable and objective. Only criterion, and minimum thresholds for any criterion, that are reasonably necessary to ensure that any bidder awarded a project can successfully complete the proposed scope shall be used by the developer. The developer shall not impose any obstacles to prequalification that go beyond what is commercially reasonable and customary.

(F) The developer shall, within 24 hours of a request by a labor organization that represents workers in the geographic area of the project, provide all of the following information to the labor organization:

(i) The names and Contractors State License Board numbers of the prime contractors and subcontractors that have prequalified.

(ii) The names and Contractors State License Board numbers of the prime contractors that have submitted bids and their respective listed subcontractors.

(iii) The names and Contractors State License Board numbers of the prime contractor that was awarded the work and its listed subcontractors.

(G) An interested party, including a labor organization that represents workers in the geographic area of the project, may bring an action for injunctive relief against a developer or prime contractor that is proceeding with a project in violation of the bidding requirements of this paragraph applicable to developers and prime contractors. The court in such an action may issue injunctive relief to halt work on the project and to require compliance with the requirements of this subdivision. The prevailing plaintiff in such an action shall be entitled to recover its reasonable attorney's fees and costs.

(c) (1) The development proponent shall provide written notice of the pending application to each commercial tenant on the parcel when the application is submitted.

(2) The development proponent shall provide relocation assistance to each eligible commercial tenant located on the site as follows:

(A) For a commercial tenant operating on the site for at least one year but less than five years, the relocation assistance shall be equivalent to six months' rent.

(B) For a commercial tenant operating on the site for at least 5 years but less than 10 years, the relocation assistance shall be equivalent to nine months' rent.

(C) For a commercial tenant operating on the site for at least 10 years but less than 15 years, the relocation assistance shall be equivalent to 12 months' rent.

(D) For a commercial tenant operating on the site for at least 15 years but less than 20 years, the relocation assistance shall be equivalent to 15 months' rent.

(E) For a commercial tenant operating on the site for at least 20 years, the relocation assistance shall be equivalent to 18 months' rent.

(3) The relocation assistance shall be provided to an eligible commercial tenant upon expiration of the lease of that commercial tenant.

(4) For purposes of this subdivision, a commercial tenant is eligible for relocation assistance if the commercial tenant meets all of the following criteria:

(A) The commercial tenant is an independently owned and operated business with its principal office located in the county in which the property on the site that is leased by the commercial tenant is located.

(B) The commercial tenant's lease expired and was not renewed by the property owner.

(C) The commercial tenant's lease expired within the three years following the development proponent's submission of the application for a housing development pursuant to this article.

(D) The commercial tenant employs 20 or fewer employees and has an annual average gross receipts under one million dollars ($1,000,000) for the three taxable year period ending with the taxable year that precedes the expiration of their lease.

(E) The commercial tenant is still in operation on the site at the time of the expiration of its lease.

(5) Notwithstanding paragraph (4), for purposes of this subdivision, a commercial tenant is ineligible for relocation assistance if the commercial tenant meets both of the following criteria:

(A) The commercial tenant entered into a lease on the site after the development proponent's submission of the application for a housing development pursuant to this article.

(B) The commercial tenant had not previously entered into a lease on the site.

(6) (A) The commercial tenant shall utilize the funds provided by the development proponent to relocate the business or for costs of a new business.

(B) Notwithstanding paragraph (2), if the commercial tenant elects not to use the funds provided as required by subparagraph (A), the development proponent shall provide only assistance equal to three months' rent, regardless of the duration of the commercial tenant's lease.

(7) For purposes of this subdivision, monthly rent is equal to one-twelfth of the total amount of rent paid by the commercial tenant in the last 12 months.

(d) A local agency shall require that a rental of any unit created pursuant to this section be for a term longer than 30 days.

(e) (1) A local agency may exempt a parcel from this section if the local agency makes written findings supported by substantial evidence of either of the following:

(A) The local agency concurrently reallocated the lost residential density to other lots so that there is no net loss in residential density in the jurisdiction.

(B) The lost residential density from each exempted parcel can be accommodated on a site or sites allowing residential densities at or above those specified in paragraph (2) of subdivision (b) and in excess of the acreage required to accommodate the local agency's share of housing for lower income households.

(2) A local agency may reallocate the residential density from an exempt parcel pursuant to this subdivision only if the site or sites chosen by the local agency to which the residential density is reallocated meet both of the following requirements:

(A) The site or sites are suitable for residential development. For purposes of this subparagraph, "site or sites suitable for residential development" shall have the same meaning as "land suitable for residential development," as defined in Section 65583.2.

(B) The site or sites are subject to an ordinance that allows for development by right.

(f) (1) This section does not alter or lessen the applicability of any housing, environmental, or labor law applicable to a housing development authorized by this section, including, but not limited to, the following:

(A) The California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code).

(B) The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(C) The Housing Accountability Act (Section 65589.5).

(D) The Density Bonus Law (Section 65915).

(E) Obligations to affirmatively further fair housing, pursuant to Section 8899.50.

(F) State or local affordable housing laws.

(G) State or local tenant protection laws.

(2) All local demolition ordinances shall apply to a project developed pursuant to this section.

(3) For purposes of the Housing Accountability Act (Section 65589.5), a proposed housing development project that is consistent with the provisions of subdivision (b) shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision.

(4) Notwithstanding any other provision of this section, for purposes of the Density Bonus Law (Section 65915), an applicant for a housing development under this section may apply for a density bonus pursuant to Section 65915.

(g) Notwithstanding Section 65913.4, a project subject to this section shall not be eligible for streamlining pursuant to Section 65913.4 if it meets either of the following conditions:

(1) The site has previously been developed pursuant to Section 65913.4 with a project of 10 units or fewer.

(2) The developer of the project or any person acting in concert with the developer has previously proposed a project pursuant to Section 65913.4 of 10 units or fewer on the same or an adjacent site.

(h) A local agency may adopt an ordinance to implement the provisions of this article. An ordinance adopted to implement this section shall not be considered a "project" under Division 13 (commencing with Section 21000) of the Public Resources Code.

(i) Each local agency shall include the number of sites developed and the number of units constructed pursuant to this section in its annual progress report required pursuant to paragraph (2) of subdivision (a) of Section 65400.

(j) The department shall undertake at least two studies of the outcomes of this chapter. One study shall be completed on or before January 1, 2027, and one shall be completed on or before January 1, 2031.

(1) The studies required by this subdivision shall include, but not be limited to, the number of projects built, the number of units built, the jurisdictional and regional location of the housing, the relative wealth and access to resources of the communities in which they are built, the level of affordability, the effect on greenhouse gas emissions, and the creation of construction jobs that pay the prevailing wage.

(2) The department shall publish a report of the findings of a study required by this subdivision, post the report on its internet website, and submit the report to the Legislature pursuant to Section 9795.

(k) For purposes of this section:

(1) “Housing development project” means a project consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential retail commercial or office uses, and at least 50 percent of the square footage of the new construction associated with the project is designated for residential use. None of the square footage of any such development shall be designated for hotel, motel, bed and breakfast inn, or other transient lodging use, except for a residential hotel.

(2) “Local agency” means a city, including a charter city, county, or a city and county.

(3) “Office or retail commercial zone” means any commercial zone, except for zones where office uses and retail uses are not permitted, or are permitted only as an accessory use.

(4) “Residential hotel” has the same meaning as defined in Section 50519 of the Health and Safety Code.

(l) The Legislature finds and declares that ensuring access to affordable housing is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

(m) (1) This section shall become operative on July 1, 2023.

(2) This section shall remain in effect only until January 1, 2033, and as of that date is repealed.

SEC. 20. Section 65912.130 of the Government Code is amended to read:

65912.130. A development project approved by a local government pursuant to Article 2 (commencing with Section 65912.110) or Article 3 (commencing with Section 65912.120) shall meet all of the following labor standards:

(a) The development proponent shall require in contracts with construction contractors, and shall certify to the local government, that the standards specified in this section will be met in project construction.

(b) A development that is not in its entirety a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and approved by a local government pursuant to Article 2 (commencing with Section 65912.110) or Article 3 (commencing with Section 65912.120) shall be subject to all of the following:

(1) All construction workers employed in the execution of the development shall be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(2) The development proponent shall ensure that the prevailing wage requirement is included in all contracts for the performance of the work for those portions of the development that are not a public work.

(3) All contractors and subcontractors for those portions of the development that are not a public work shall comply with all of the following:

(A) Pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(B) Maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided in that section. This subparagraph does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation

through an arbitration procedure. For purposes of this subparagraph, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(C) Be registered in accordance with Section 1725.6 of the Labor Code.

(c) (1) The obligation of the contractors and subcontractors to pay prevailing wages pursuant to this section may be enforced by any of the following:

(A) The Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development.

(B) An underpaid worker through an administrative complaint or civil action.

(C) A joint labor-management committee through a civil action under Section 1771.2 of the Labor Code.

(2) If a civil wage and penalty assessment is issued pursuant to this section, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(3) This subdivision does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subdivision, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(d) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing does not apply to those portions of development that are not a public work if otherwise provided in a bona fide collective bargaining agreement covering the worker.

(e) The requirement of this section to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(f) For those portions of the development that are not a public work, the development proponent shall provide notice of all contracts for the performance of the work to the Department of Industrial Relations, in accordance with Section 1773.35 of the Labor Code.

SEC. 21. Section 65913.4 of the Government Code is amended to read:

65913.4. (a) A development proponent may submit an application for a development that is subject to the streamlined, ministerial approval process provided by subdivision (c) and is not subject to a conditional use permit or any other nonlegislative discretionary approval if the development complies with subdivision (b) and satisfies all of the following objective planning standards:

(1) The development is a multifamily housing development that contains two or more residential units.

(2) The development and the site on which it is located satisfy all of the following:

(A) It is a legal parcel or parcels located in a city if, and only if, the city boundaries include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel or parcels wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(B) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses. For the purposes of this section, parcels that are only separated by a street or highway shall be considered to be adjoined.

(C) (i) A site that meets the requirements of clause (ii) and satisfies any of the following:

(I) The site is zoned for residential use or residential mixed-use development.

(II) The site has a general plan designation that allows residential use or a mix of residential and nonresidential uses.

(III) The site is zoned for office or retail commercial use and meets the requirements of Section 65852.24.

(ii) At least two-thirds of the square footage of the development is designated for residential use. Additional density, floor area, and units, and any other concession, incentive, or waiver of development standards granted pursuant to the

Density Bonus Law in Section 65915 shall be included in the square footage calculation. The square footage of the development shall not include underground space, such as basements or underground parking garages.

(3) (A) The development proponent has committed to record, prior to the issuance of the first building permit, a land use restriction or covenant providing that any lower or moderate income housing units required pursuant to subparagraph (B) of paragraph (4) shall remain available at affordable housing costs or rent to persons and families of lower or moderate income for no less than the following periods of time:

(i) Fifty-five years for units that are rented.

(ii) Forty-five years for units that are owned.

(B) The city or county shall require the recording of covenants or restrictions implementing this paragraph for each parcel or unit of real property included in the development.

(4) The development satisfies subparagraphs (A) and (B) below:

(A) Is located in a locality that the department has determined is subject to this subparagraph on the basis that the number of units that have been issued building permits, as shown on the most recent production report received by the department, is less than the locality's share of the regional housing needs, by income category, for that reporting period. A locality shall remain eligible under this subparagraph until the department's determination for the next reporting period.

(B) The development is subject to a requirement mandating a minimum percentage of below market rate housing based on one of the following:

(i) The locality did not submit its latest production report to the department by the time period required by Section 65400, or that production report reflects that there were fewer units of above moderate-income housing issued building permits than were required for the regional housing needs assessment cycle for that reporting period. In addition, if the project contains more than 10 units of housing, the project does either of the following:

(I) The project dedicates a minimum of 10 percent of the total number of units, before calculating any density bonus, to housing affordable to households making at or below 80 percent of the area median income. However, if the locality has adopted a local ordinance that requires that greater than 10 percent of the units be dedicated to housing affordable to households making below 80 percent of the area median income, that local ordinance applies.

(II) (ia) If the project is located within the San Francisco Bay area, the project, in lieu of complying with subclause (I), dedicates 20 percent of the total number of units, before calculating any density bonus, to housing affordable to households making below 120 percent of the area median income with the average income of the units at or below 100 percent of the area median income. However, a local ordinance adopted by the locality applies if it requires greater than 20 percent of the units be dedicated to housing affordable to households making at or below 120 percent of the area median income, or requires that any of the units be dedicated at a level deeper than 120 percent. In order to comply with this subclause, the rent or sale price charged for units that are dedicated to housing affordable to households between 80 percent and 120 percent of the area median income shall not exceed 30 percent of the gross income of the household.

(ib) For purposes of this subclause, "San Francisco Bay area" means the entire area within the territorial boundaries of the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and the City and County of San Francisco.

(ii) The locality's latest production report reflects that there were fewer units of housing issued building permits affordable to either very low income or low-income households by income category than were required for the regional housing needs assessment cycle for that reporting period, and the project seeking approval dedicates 50 percent of the total number of units, before calculating any density bonus, to housing affordable to households making at or below 80 percent of the area median income. However, if the locality has adopted a local ordinance that requires that greater than 50 percent of the units be dedicated to housing affordable to households making at or below 80 percent of the area median income, that local ordinance applies.

(iii) The locality did not submit its latest production report to the department by the time period required by Section 65400, or if the production report reflects that there were fewer units of housing affordable to both income levels described in clauses (i) and (ii) that were issued building permits than were required for the regional housing needs assessment cycle for that reporting period, the project seeking approval may choose between utilizing clause (i) or (ii).

(C) (i) A development proponent that uses a unit of affordable housing to satisfy the requirements of subparagraph (B) may also satisfy any other local or state requirement for affordable housing, including local ordinances or the Density Bonus Law

in Section 65915, provided that the development proponent complies with the applicable requirements in the state or local law.

(ii) A development proponent that uses a unit of affordable housing to satisfy any other state or local affordability requirement may also satisfy the requirements of subparagraph (B), provided that the development proponent complies with applicable requirements of subparagraph (B).

(iii) A development proponent may satisfy the affordability requirements of subparagraph (B) with a unit that is restricted to households with incomes lower than the applicable income limits required in subparagraph (B).

(D) The amendments to this subdivision made by the act adding this subparagraph do not constitute a change in, but are declaratory of, existing law.

(5) The development, excluding any additional density or any other concessions, incentives, or waivers of development standards granted pursuant to the Density Bonus Law in Section 65915, is consistent with objective zoning standards, objective subdivision standards, and objective design review standards in effect at the time that the development is submitted to the local government pursuant to this section, or at the time a notice of intent is submitted pursuant to subdivision (b), whichever occurs earlier. For purposes of this paragraph, “objective zoning standards,” “objective subdivision standards,” and “objective design review standards” mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal. These standards may be embodied in alternative objective land use specifications adopted by a city or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances, subject to the following:

(A) A development shall be deemed consistent with the objective zoning standards related to housing density, as applicable, if the density proposed is compliant with the maximum density allowed within that land use designation, notwithstanding any specified maximum unit allocation that may result in fewer units of housing being permitted.

(B) In the event that objective zoning, general plan, subdivision, or design review standards are mutually inconsistent, a development shall be deemed consistent with the objective zoning and subdivision standards pursuant to this subdivision if the development is consistent with the standards set forth in the general plan.

(C) It is the intent of the Legislature that the objective zoning standards, objective subdivision standards, and objective design review standards described in this paragraph be adopted or amended in compliance with the requirements of Chapter 905 of the Statutes of 2004.

(D) The amendments to this subdivision made by the act adding this subparagraph do not constitute a change in, but are declaratory of, existing law.

(E) A project that satisfies the requirements of Section 65852.24 shall be deemed consistent with objective zoning standards, objective design standards, and objective subdivision standards if the project is consistent with the provisions of subdivision (b) of Section 65852.24 and if none of the square footage in the project is designated for hotel, motel, bed and breakfast inn, or other transient lodging use, except for a residential hotel. For purposes of this subdivision, “residential hotel” shall have the same meaning as defined in Section 50519 of the Health and Safety Code.

(6) The development is not located on a site that is any of the following:

(A) A coastal zone, as defined in Division 20 (commencing with Section 30000) of the Public Resources Code.

(B) Either prime farmland or farmland of statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.

(C) Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).

(D) Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code. This subparagraph does not apply to sites excluded from the specified hazard zones by a local agency, pursuant to subdivision (b) of Section 51179, or sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.

(E) A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless either of the following apply:

(i) The site is an underground storage tank site that received a uniform closure letter issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code based on closure criteria established by the State Water Resources Control Board for residential use or residential mixed uses. This section does not alter or change the conditions to remove a site from the list of hazardous waste sites listed pursuant to Section 65962.5.

(ii) The State Department of Public Health, State Water Resources Control Board, Department of Toxic Substances Control, or a local agency making a determination pursuant to subdivision (c) of Section 25296.10 of the Health and Safety Code, has otherwise determined that the site is suitable for residential use or residential mixed uses.

(F) Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.

(G) Within a special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met:

(i) The site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the local jurisdiction.

(ii) The site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.

(H) Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site.

(I) Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural resource protection plan.

(J) Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).

(K) Lands under conservation easement.

(7) The development is not located on a site where any of the following apply:

(A) The development would require the demolition of the following types of housing:

(i) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(ii) Housing that is subject to any form of rent or price control through a public entity’s valid exercise of its police power.

(iii) Housing that has been occupied by tenants within the past 10 years.

(B) The site was previously used for housing that was occupied by tenants that was demolished within 10 years before the development proponent submits an application under this section.

(C) The development would require the demolition of a historic structure that was placed on a national, state, or local historic register.

(D) The property contains housing units that are occupied by tenants, and units at the property are, or were, subsequently offered for sale to the general public by the subdivider or subsequent owner of the property.

(8) The development proponent has done both of the following, as applicable:

(A) Certified to the locality that either of the following is true, as applicable:

(i) The entirety of the development is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(ii) If the development is not in its entirety a public work, that all construction workers employed in the execution of the development will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate. If the development is subject to this subparagraph, then for those portions of the development that are not a public work all of the following shall apply:

(I) The development proponent shall ensure that the prevailing wage requirement is included in all contracts for the performance of the work.

(II) All contractors and subcontractors shall pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(III) Except as provided in subclause (V), all contractors and subcontractors shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided therein.

(IV) Except as provided in subclause (V), the obligation of the contractors and subcontractors to pay prevailing wages may be enforced by the Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development, by an underpaid worker through an administrative complaint or civil action, or by a joint labor-management committee through a civil action under Section 1771.2 of the Labor Code. If a civil wage and penalty assessment is issued, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(V) Subclauses (III) and (IV) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this clause, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(VI) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing shall not apply if otherwise provided in a bona fide collective bargaining agreement covering the worker. The requirement to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(VII) All contractors and subcontractors shall be registered in accordance with Section 1725.6 of the Labor Code.

(VIII) The development proponent shall provide notice of all contracts for the performance of the work to the Department of Industrial Relations in accordance with Section 1773.35 of the Labor Code.

(B) (i) For developments for which any of the following conditions apply, certified that a skilled and trained workforce shall be used to complete the development if the application is approved:

(I) On and after January 1, 2018, until December 31, 2021, the development consists of 75 or more units with a residential component that is not 100 percent subsidized affordable housing and will be located within a jurisdiction located in a coastal or bay county with a population of 225,000 or more.

(II) On and after January 1, 2022, until December 31, 2025, the development consists of 50 or more units with a residential component that is not 100 percent subsidized affordable housing and will be located within a jurisdiction located in a coastal or bay county with a population of 225,000 or more.

(III) On and after January 1, 2018, until December 31, 2019, the development consists of 75 or more units with a residential component that is not 100 percent subsidized affordable housing and will be located within a jurisdiction with a population of fewer than 550,000 and that is not located in a coastal or bay county.

(IV) On and after January 1, 2020, until December 31, 2021, the development consists of more than 50 units with a residential component that is not 100 percent subsidized affordable housing and will be located within a jurisdiction with a population of fewer than 550,000 and that is not located in a coastal or bay county.

(V) On and after January 1, 2022, until December 31, 2025, the development consists of more than 25 units with a residential component that is not 100 percent subsidized affordable housing and will be located within a jurisdiction with a population of fewer than 550,000 and that is not located in a coastal or bay county.

(ii) For purposes of this section, “skilled and trained workforce” has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(iii) If the development proponent has certified that a skilled and trained workforce will be used to complete the development and the application is approved, the following shall apply:

(I) The applicant shall require in all contracts for the performance of work that every contractor and subcontractor at every tier will individually use a skilled and trained workforce to complete the development.

(II) Every contractor and subcontractor shall use a skilled and trained workforce to complete the development.

(III) Except as provided in subclause (IV), the applicant shall provide to the locality, on a monthly basis while the development or contract is being performed, a report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code. A monthly report provided to the locality pursuant to this subclause shall be a public record under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) and shall be open to public inspection. An applicant that fails to provide a monthly report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code shall be subject to a civil penalty of ten thousand dollars ($10,000) per month for each month for which the report has not been provided. Any contractor or subcontractor that fails to use a skilled and trained workforce shall be subject to a civil penalty of two hundred dollars ($200) per day for each worker employed in contravention of the skilled and trained workforce requirement. Penalties may be assessed by the Labor Commissioner within 18 months of completion of the development using the same procedures for issuance of civil wage and penalty assessments pursuant to Section 1741 of the Labor Code, and may be reviewed pursuant to the same procedures in Section 1742 of the Labor Code. Penalties shall be paid to the State Public Works Enforcement Fund.

(IV) Subclause (III) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires compliance with the skilled and trained workforce requirement and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subparagraph, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(C) Notwithstanding subparagraphs (A) and (B), a development that is subject to approval pursuant to this section is exempt from any requirement to pay prevailing wages or use a skilled and trained workforce if it meets both of the following:

(i) The project includes 10 or fewer units.

(ii) The project is not a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(9) The development did not or does not involve a subdivision of a parcel that is, or, notwithstanding this section, would otherwise be, subject to the Subdivision Map Act (Division 2 (commencing with Section 66410)) or any other applicable law authorizing the subdivision of land, unless the development is consistent with all objective subdivision standards in the local subdivision ordinance, and either of the following apply:

(A) The development has received or will receive financing or funding by means of a low-income housing tax credit and is subject to the requirement that prevailing wages be paid pursuant to subparagraph (A) of paragraph (8).

(B) The development is subject to the requirement that prevailing wages be paid, and a skilled and trained workforce used, pursuant to paragraph (8).

(10) The development shall not be upon an existing parcel of land or site that is governed under the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code), the Recreational Vehicle Park Occupancy Law (Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 2 of the Civil Code), the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), or the Special Occupancy Parks Act (Part 2.3 (commencing with Section 18860) of Division 13 of the Health and Safety Code).

(b) (1) (A) (i) Before submitting an application for a development subject to the streamlined, ministerial approval process described in subdivision (c), the development proponent shall submit to the local government a notice of its intent to submit an application. The notice of intent shall be in the form of a preliminary application that includes all of the information described in Section 65941.1, as that section read on January 1, 2020.

(ii) Upon receipt of a notice of intent to submit an application described in clause (i), the local government shall engage in a scoping consultation regarding the proposed development with any California Native American tribe that is traditionally and culturally affiliated with the geographic area, as described in Section 21080.3.1 of the Public Resources Code, of the proposed development. In order to expedite compliance with this subdivision, the local government shall contact the Native American Heritage Commission for assistance in identifying any California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed development.

(iii) The timeline for noticing and commencing a scoping consultation in accordance with this subdivision shall be as follows:

(I) The local government shall provide a formal notice of a development proponent's notice of intent to submit an application described in clause (i) to each California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed development within 30 days of receiving that notice of intent. The formal notice provided pursuant to this subclause shall include all of the following:

(ia) A description of the proposed development.

(ib) The location of the proposed development.

(ic) An invitation to engage in a scoping consultation in accordance with this subdivision.

(II) Each California Native American tribe that receives a formal notice pursuant to this clause shall have 30 days from the receipt of that notice to accept the invitation to engage in a scoping consultation.

(III) If the local government receives a response accepting an invitation to engage in a scoping consultation pursuant to this subdivision, the local government shall commence the scoping consultation within 30 days of receiving that response.

(B) The scoping consultation shall recognize that California Native American tribes traditionally and culturally affiliated with a geographic area have knowledge and expertise concerning the resources at issue and shall take into account the cultural significance of the resource to the culturally affiliated California Native American tribe.

(C) The parties to a scoping consultation conducted pursuant to this subdivision shall be the local government and any California Native American tribe traditionally and culturally affiliated with the geographic area of the proposed development. More than one California Native American tribe traditionally and culturally affiliated with the geographic area of the proposed development may participate in the scoping consultation. However, the local government, upon the request of any California Native American tribe traditionally and culturally affiliated with the geographic area of the proposed development, shall engage in a separate scoping consultation with that California Native American tribe. The development proponent and its consultants may participate in a scoping consultation process conducted pursuant to this subdivision if all of the following conditions are met:

(i) The development proponent and its consultants agree to respect the principles set forth in this subdivision.

(ii) The development proponent and its consultants engage in the scoping consultation in good faith.

(iii) The California Native American tribe participating in the scoping consultation approves the participation of the development proponent and its consultants. The California Native American tribe may rescind its approval at any time

during the scoping consultation, either for the duration of the scoping consultation or with respect to any particular meeting or discussion held as part of the scoping consultation.

(D) The participants to a scoping consultation pursuant to this subdivision shall comply with all of the following confidentiality requirements:

(i) Section 7927.000.

(ii) Section 7927.005.

(iii) Subdivision (c) of Section 21082.3 of the Public Resources Code.

(iv) Subdivision (d) of Section 15120 of Title 14 of the California Code of Regulations.

(v) Any additional confidentiality standards adopted by the California Native American tribe participating in the scoping consultation.

(E) The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to a scoping consultation conducted pursuant to this subdivision.

(2) (A) If, after concluding the scoping consultation, the parties find that no potential tribal cultural resource would be affected by the proposed development, the development proponent may submit an application for the proposed development that is subject to the streamlined, ministerial approval process described in subdivision (c).

(B) If, after concluding the scoping consultation, the parties find that a potential tribal cultural resource could be affected by the proposed development and an enforceable agreement is documented between the California Native American tribe and the local government on methods, measures, and conditions for tribal cultural resource treatment, the development proponent may submit the application for a development subject to the streamlined, ministerial approval process described in subdivision (c). The local government shall ensure that the enforceable agreement is included in the requirements and conditions for the proposed development.

(C) If, after concluding the scoping consultation, the parties find that a potential tribal cultural resource could be affected by the proposed development and an enforceable agreement is not documented between the California Native American tribe and the local government regarding methods, measures, and conditions for tribal cultural resource treatment, the development shall not be eligible for the streamlined, ministerial approval process described in subdivision (c).

(D) For purposes of this paragraph, a scoping consultation shall be deemed to be concluded if either of the following occur:

(i) The parties to the scoping consultation document an enforceable agreement concerning methods, measures, and conditions to avoid or address potential impacts to tribal cultural resources that are or may be present.

(ii) One or more parties to the scoping consultation, acting in good faith and after reasonable effort, conclude that a mutual agreement on methods, measures, and conditions to avoid or address impacts to tribal cultural resources that are or may be present cannot be reached.

(E) If the development or environmental setting substantially changes after the completion of the scoping consultation, the local government shall notify the California Native American tribe of the changes and engage in a subsequent scoping consultation if requested by the California Native American tribe.

(3) A local government may only accept an application for streamlined, ministerial approval pursuant to this section if one of the following applies:

(A) A California Native American tribe that received a formal notice of the development proponent’s notice of intent to submit an application pursuant to subclause (I) of clause (iii) of subparagraph (A) of paragraph (1) did not accept the invitation to engage in a scoping consultation.

(B) The California Native American tribe accepted an invitation to engage in a scoping consultation pursuant to subclause (II) of clause (iii) of subparagraph (A) of paragraph (1) but substantially failed to engage in the scoping consultation after repeated documented attempts by the local government to engage the California Native American tribe.

(C) The parties to a scoping consultation pursuant to this subdivision find that no potential tribal cultural resource will be affected by the proposed development pursuant to subparagraph (A) of paragraph (2).

(D) A scoping consultation between a California Native American tribe and the local government has occurred in accordance with this subdivision and resulted in agreement pursuant to subparagraph (B) of paragraph (2).

(4) A project shall not be eligible for the streamlined, ministerial process described in subdivision (c) if any of the following apply:

(A) There is a tribal cultural resource that is on a national, state, tribal, or local historic register list located on the site of the project.

(B) There is a potential tribal cultural resource that could be affected by the proposed development and the parties to a scoping consultation conducted pursuant to this subdivision do not document an enforceable agreement on methods, measures, and conditions for tribal cultural resource treatment, as described in subparagraph (C) of paragraph (2).

(C) The parties to a scoping consultation conducted pursuant to this subdivision do not agree as to whether a potential tribal cultural resource will be affected by the proposed development.

(5) (A) If, after a scoping consultation conducted pursuant to this subdivision, a project is not eligible for the streamlined, ministerial process described in subdivision (c) for any or all of the following reasons, the local government shall provide written documentation of that fact, and an explanation of the reason for which the project is not eligible, to the development proponent and to any California Native American tribe that is a party to that scoping consultation:

(i) There is a tribal cultural resource that is on a national, state, tribal, or local historic register list located on the site of the project, as described in subparagraph (A) of paragraph (4).

(ii) The parties to the scoping consultation have not documented an enforceable agreement on methods, measures, and conditions for tribal cultural resource treatment, as described in subparagraph (C) of paragraph (2) and subparagraph (B) of paragraph (4).

(iii) The parties to the scoping consultation do not agree as to whether a potential tribal cultural resource will be affected by the proposed development, as described in subparagraph (C) of paragraph (4).

(B) The written documentation provided to a development proponent pursuant to this paragraph shall include information on how the development proponent may seek a conditional use permit or other discretionary approval of the development from the local government.

(6) This section is not intended, and shall not be construed, to limit consultation and discussion between a local government and a California Native American tribe pursuant to other applicable law, confidentiality provisions under other applicable law, the protection of religious exercise to the fullest extent permitted under state and federal law, or the ability of a California Native American tribe to submit information to the local government or participate in any process of the local government.

(7) For purposes of this subdivision:

(A) “Consultation” means the meaningful and timely process of seeking, discussing, and considering carefully the views of others, in a manner that is cognizant of all parties’ cultural values and, where feasible, seeking agreement. Consultation between local governments and Native American tribes shall be conducted in a way that is mutually respectful of each party’s sovereignty. Consultation shall also recognize the tribes’ potential needs for confidentiality with respect to places that have traditional tribal cultural importance. A lead agency shall consult the tribal consultation best practices described in the “State of California Tribal Consultation Guidelines: Supplement to the General Plan Guidelines” prepared by the Office of Planning and Research.

(B) “Scoping” means the act of participating in early discussions or investigations between the local government and California Native American tribe, and the development proponent if authorized by the California Native American tribe, regarding the potential effects a proposed development could have on a potential tribal cultural resource, as defined in Section 21074 of the Public Resources Code, or California Native American tribe, as defined in Section 21073 of the Public Resources Code.

(8) This subdivision shall not apply to any project that has been approved under the streamlined, ministerial approval process provided under this section before the effective date of the act adding this subdivision.

(c) (1) If a local government determines that a development submitted pursuant to this section is consistent with the objective planning standards specified in subdivision (a) and pursuant to paragraph (3) of this subdivision, it shall approve the development. If a local government determines that a development submitted pursuant to this section is in conflict with any of the objective planning standards specified in subdivision (a), it shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, as follows:

(A) Within 60 days of submittal of the development to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 90 days of submittal of the development to the local government pursuant to this section if the development contains more than 150 housing units.

(2) If the local government fails to provide the required documentation pursuant to paragraph (1), the development shall be deemed to satisfy the objective planning standards specified in subdivision (a).

(3) For purposes of this section, a development is consistent with the objective planning standards specified in subdivision (a) if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards. The local government shall not determine that a development, including an application for a modification under subdivision (g), is in conflict with the objective planning standards on the basis that application materials are not included, if the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(d) (1) Any design review or public oversight of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for review and approval of development projects, or the city council or board of supervisors, as appropriate. That design review or public oversight shall be objective and be strictly focused on assessing compliance with criteria required for streamlined projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submission of a development application, and shall be broadly applicable to development within the jurisdiction. That design review or public oversight shall be completed, and if the development is consistent with all objective standards, the local government shall approve the development as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:

(A) Within 90 days of submittal of the development to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 180 days of submittal of the development to the local government pursuant to this section if the development contains more than 150 housing units.

(2) If the development is consistent with the requirements of subparagraph (A) or (B) of paragraph (9) of subdivision (a) and is consistent with all objective subdivision standards in the local subdivision ordinance, an application for a subdivision pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410)) shall be exempt from the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and shall be subject to the public oversight timelines set forth in paragraph (1).

(3) If a local government determines that a development submitted pursuant to this section is in conflict with any of the standards imposed pursuant to paragraph (1), it shall provide the development proponent written documentation of which objective standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that objective standard or standards consistent with the timelines described in paragraph (1) of subdivision (c).

(e) (1) Notwithstanding any other law, a local government, whether or not it has adopted an ordinance governing automobile parking requirements in multifamily developments, shall not impose automobile parking standards for a streamlined development that was approved pursuant to this section in any of the following instances:

(A) The development is located within one-half mile of public transit.

(B) The development is located within an architecturally and historically significant historic district.

(C) When on-street parking permits are required but not offered to the occupants of the development.

(D) When there is a car share vehicle located within one block of the development.

(2) If the development does not fall within any of the categories described in paragraph (1), the local government shall not impose automobile parking requirements for streamlined developments approved pursuant to this section that exceed one parking space per unit.

(f) (1) If a local government approves a development pursuant to this section, then, notwithstanding any other law, that approval shall not expire if the project satisfies both of the following requirements:

(A) The project includes public investment in housing affordability, beyond tax credits.

(B) At least 50 percent of the units are affordable to households making at or below 80 percent of the area median income.

(2) (A) If a local government approves a development pursuant to this section, and the project does not satisfy the requirements of subparagraphs (A) and (B) of paragraph (1), that approval shall remain valid for three years from the date of the final action establishing that approval, or if litigation is filed challenging that approval, from the date of the final judgment upholding that approval. Approval shall remain valid for a project provided construction activity, including demolition and grading activity, on the development site has begun pursuant to a permit issued by the local jurisdiction and is in progress. For purposes of this subdivision, “in progress” means one of the following:

(i) The construction has begun and has not ceased for more than 180 days.

(ii) If the development requires multiple building permits, an initial phase has been completed, and the project proponent has applied for and is diligently pursuing a building permit for a subsequent phase, provided that once it has been issued, the building permit for the subsequent phase does not lapse.

(B) Notwithstanding subparagraph (A), a local government may grant a project a one-time, one-year extension if the project proponent can provide documentation that there has been significant progress toward getting the development construction ready, such as filing a building permit application.

(3) If the development proponent requests a modification pursuant to subdivision (g), then the time during which the approval shall remain valid shall be extended for the number of days between the submittal of a modification request and the date of its final approval, plus an additional 180 days to allow time to obtain a building permit. If litigation is filed relating to the modification request, the time shall be further extended during the pendency of the litigation. The extension required by this paragraph shall only apply to the first request for a modification submitted by the development proponent.

(4) The amendments made to this subdivision by the act that added this paragraph shall also be retroactively applied to developments approved prior to January 1, 2022.

(g) (1) (A) A development proponent may request a modification to a development that has been approved under the streamlined, ministerial approval process provided in subdivision (c) if that request is submitted to the local government before the issuance of the final building permit required for construction of the development.

(B) Except as provided in paragraph (3), the local government shall approve a modification if it determines that the modification is consistent with the objective planning standards specified in subdivision (a) that were in effect when the original development application was first submitted.

(C) The local government shall evaluate any modifications requested pursuant to this subdivision for consistency with the objective planning standards using the same assumptions and analytical methodology that the local government originally used to assess consistency for the development that was approved for streamlined, ministerial approval pursuant to subdivision (c).

(D) A guideline that was adopted or amended by the department pursuant to subdivision (l) after a development was approved through the streamlined, ministerial approval process described in subdivision (c) shall not be used as a basis to deny proposed modifications.

(2) Upon receipt of the development proponent’s application requesting a modification, the local government shall determine if the requested modification is consistent with the objective planning standard and either approve or deny the modification request within 60 days after submission of the modification, or within 90 days if design review is required.

(3) Notwithstanding paragraph (1), the local government may apply objective planning standards adopted after the development application was first submitted to the requested modification in any of the following instances:

(A) The development is revised such that the total number of residential units or total square footage of construction changes by 15 percent or more. The calculation of the square footage of construction changes shall not include underground space.

(B) The development is revised such that the total number of residential units or total square footage of construction changes by 5 percent or more and it is necessary to subject the development to an objective standard beyond those in effect when the development application was submitted in order to mitigate or avoid a specific, adverse impact, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (j) of Section 65589.5, upon the public health or safety and there is no feasible alternative method to satisfactorily mitigate or avoid the adverse impact. The calculation of the square footage of construction changes shall not include underground space.

(C) (i) Objective building standards contained in the California Building Standards Code (Title 24 of the California Code of Regulations), including, but not limited to, building plumbing, electrical, fire, and grading codes, may be applied to all

modification applications that are submitted prior to the first building permit application. Those standards may be applied to modification applications submitted after the first building permit application if agreed to by the development proponent.

(ii) The amendments made to clause (i) by the act that added clause (i) shall also be retroactively applied to modification applications submitted prior to January 1, 2022.

(4) The local government's review of a modification request pursuant to this subdivision shall be strictly limited to determining whether the modification, including any modification to previously approved density bonus concessions or waivers, modify the development's consistency with the objective planning standards and shall not reconsider prior determinations that are not affected by the modification.

(h) (1) A local government shall not adopt or impose any requirement, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is eligible to receive ministerial or streamlined approval pursuant to this section.

(2) (A) A local government shall issue a subsequent permit required for a development approved under this section if the application substantially complies with the development as it was approved pursuant to subdivision (c). Upon receipt of an application for a subsequent permit, the local government shall process the permit without unreasonable delay and shall not impose any procedure or requirement that is not imposed on projects that are not approved pursuant to this section. The local government shall consider the application for subsequent permits based upon the objective standards specified in any state or local laws that were in effect when the original development application was submitted, unless the development proponent agrees to a change in objective standards. Issuance of subsequent permits shall implement the approved development, and review of the permit application shall not inhibit, chill, or preclude the development. For purposes of this paragraph, a "subsequent permit" means a permit required subsequent to receiving approval under subdivision (c), and includes, but is not limited to, demolition, grading, encroachment, and building permits and final maps, if necessary.

(B) The amendments made to subparagraph (A) by the act that added this subparagraph shall also be retroactively applied to subsequent permit applications submitted prior to January 1, 2022.

(3) (A) If a public improvement is necessary to implement a development that is subject to the streamlined, ministerial approval pursuant to this section, including, but not limited to, a bicycle lane, sidewalk or walkway, public transit stop, driveway, street paving or overlay, a curb or gutter, a modified intersection, a street sign or street light, landscape or hardscape, an above-ground or underground utility connection, a water line, fire hydrant, storm or sanitary sewer connection, retaining wall, and any related work, and that public improvement is located on land owned by the local government, to the extent that the public improvement requires approval from the local government, the local government shall not exercise its discretion over any approval relating to the public improvement in a manner that would inhibit, chill, or preclude the development.

(B) If an application for a public improvement described in subparagraph (A) is submitted to a local government, the local government shall do all of the following:

(i) Consider the application based upon any objective standards specified in any state or local laws that were in effect when the original development application was submitted.

(ii) Conduct its review and approval in the same manner as it would evaluate the public improvement if required by a project that is not eligible to receive ministerial or streamlined approval pursuant to this section.

(C) If an application for a public improvement described in subparagraph (A) is submitted to a local government, the local government shall not do either of the following:

(i) Adopt or impose any requirement that applies to a project solely or partially on the basis that the project is eligible to receive ministerial or streamlined approval pursuant to this section.

(ii) Unreasonably delay in its consideration, review, or approval of the application.

(i) (1) This section shall not affect a development proponent's ability to use any alternative streamlined by right permit processing adopted by a local government, including the provisions of subdivision (i) of Section 65583.2.

(2) This section shall not prevent a development from also qualifying as a housing development project entitled to the protections of Section 65589.5. This paragraph does not constitute a change in, but is declaratory of, existing law.

(j) The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) does not apply to actions taken by a state agency, local government, or the San Francisco Bay Area Rapid Transit District to:

(1) Lease, convey, or encumber land owned by the local government or the San Francisco Bay Area Rapid Transit District or to facilitate the lease, conveyance, or encumbrance of land owned by the local government, or for the lease of land owned by the San Francisco Bay Area Rapid Transit District in association with an eligible TOD project, as defined pursuant to Section 29010.1 of the Public Utilities Code, nor to any decisions associated with that lease, or to provide financial assistance to a development that receives streamlined approval pursuant to this section that is to be used for housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

(2) Approve improvements located on land owned by the local government or the San Francisco Bay Area Rapid Transit District that are necessary to implement a development that receives streamlined approval pursuant to this section that is to be used for housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

(k) For purposes of this section, the following terms have the following meanings:

(1) “Affordable housing cost” has the same meaning as set forth in Section 50052.5 of the Health and Safety Code.

(2) (A) Subject to the qualification provided by subparagraph (B), “affordable rent” has the same meaning as set forth in Section 50053 of the Health and Safety Code.

(B) For a development for which an application pursuant to this section was submitted prior to January 1, 2019, that includes 500 units or more of housing, and that dedicates 50 percent of the total number of units, before calculating any density bonus, to housing affordable to households making at, or below, 80 percent of the area median income, affordable rent for at least 30 percent of these units shall be set at an affordable rent as defined in subparagraph (A) and “affordable rent” for the remainder of these units shall mean a rent that is consistent with the maximum rent levels for a housing development that receives an allocation of state or federal low-income housing tax credits from the California Tax Credit Allocation Committee.

(3) “Department” means the Department of Housing and Community Development.

(4) “Development proponent” means the developer who submits an application for streamlined approval pursuant to this section.

(5) “Completed entitlements” means a housing development that has received all the required land use approvals or entitlements necessary for the issuance of a building permit.

(6) “Locality” or “local government” means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

(7) “Moderate income housing units” means housing units with an affordable housing cost or affordable rent for persons and families of moderate income, as that term is defined in Section 50093 of the Health and Safety Code.

(8) “Production report” means the information reported pursuant to subparagraph (H) of paragraph (2) of subdivision (a) of Section 65400.

(9) “State agency” includes every state office, officer, department, division, bureau, board, and commission, but does not include the California State University or the University of California.

(10) “Subsidized” means units that are price or rent restricted such that the units are affordable to households meeting the definitions of very low and lower income, as defined in Sections 50079.5 and 50105 of the Health and Safety Code.

(11) “Reporting period” means either of the following:

(A) The first half of the regional housing needs assessment cycle.

(B) The last half of the regional housing needs assessment cycle.

(12) “Urban uses” means any current or former residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

(l) The department may review, adopt, amend, and repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth in this section. Any guidelines or terms adopted pursuant to this subdivision shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(m) The determination of whether an application for a development is subject to the streamlined ministerial approval process provided by subdivision (c) is not a “project” as defined in Section 21065 of the Public Resources Code.

(n) It is the policy of the state that this section be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, increased housing supply.

(o) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 22. Section 1455 of the Labor Code is amended to read:

1455. (a) (1) The Division of Labor Standards Enforcement, upon appropriation of funds to the division for purposes of this section, shall establish and maintain an outreach and education program. The purpose of the program shall be to promote awareness of, and compliance with, labor protections that affect the domestic work industry and to promote fair and dignified labor standards in this industry and other low-wage industries.

(2) For purposes of this section:

(A) “CBO” means community-based organization.

(B) “Division” means the Division of Labor Standards Enforcement.

(b) The program duration shall continue with an opportunity to expand or renew contingent on allocation of state funds or identification of other revenue sources.

(c) The division shall issue a competitive request to CBOs to provide education and outreach services primarily focused on, but not limited to, domestic work employees and employers. CBOs shall have demonstrated experience in carrying out outreach and education directed at these populations, including knowledge of, and demonstrated familiarity with, issues facing the domestic work industry.

(d) CBOs shall be responsible for developing, and consulting with the division regarding, the core education and outreach materials regarding minimum wage, overtime, sick leave, record-keeping, retaliation, and the division wage adjudication and retaliation process, including specific issues that affect certain industries, such as the domestic work industry, differently. CBOs shall be responsible for all costs related to the development, printing, advertising, or distribution of the education and outreach materials. The materials shall be translated into non-English languages as may be appropriate, as determined by the applicable CBO in consultation with the division. At the discretion of the division, the division shall have final approval over the education and outreach materials.

(e) The division and CBOs shall meet biannually, or more frequently at the discretion of the division, to coordinate efforts around outreach, education, and enforcement, including sharing information, in accordance with applicable privacy and confidentiality laws, that will shape and inform the overall enforcement strategy of the division regarding low-wage industries, including the domestic work industry.

(f) The division shall not expend more than 5 percent of the budget allocation on the administration of the program.

SEC. 23. Section 1725.5 of the Labor Code is amended to read:

1725.5. A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, “contractor” includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) (A) Register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of four hundred dollars ($400) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The director may establish and adjust annual registration and renewal fees by publishing the fees on the department’s internet website. The initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(B) Beginning June 1, 2019, a contractor may register or renew according to this subdivision in annual increments up to three years from the date of registration. Contractors who wish to do so will be required to prepay the applicable nonrefundable application or renewal fees to qualify for the number of years for which they wish to preregister.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers’ compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a

current and valid certificate of workers' compensation insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier, and has not been awarded a contract for, or has not engaged in the performance of, work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code without being lawfully registered in accordance with Section 1725.6 within the preceding 12 months. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars ($2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

(1) The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

(2) Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

(3) The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2).

(e) The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, to any contract for public work, as defined in this chapter, executed on or after April 1, 2015, and to any work performed under a contract for public work on or after January 1, 2018, regardless of when the contract for public work was executed.

(f) This section does not apply to work performed on a public works project of twenty-five thousand dollars ($25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars ($15,000) or less when the project is for maintenance work.

(g) A contractor that has paid the registration or renewal fee and is registered under Section 1725.6 shall not pay the registration or renewal fee required under paragraph (1) of subdivision (a) to register as a contractor under this section.

(h) This section shall remain in effect only until July 1, 2026, and as of that date is repealed.

SEC. 24. Section 1725.5 is added to the Labor Code, to read:

1725.5. A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) (A) Register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The director may establish and adjust annual registration and renewal fees of up to $800 by publishing the fees on the department's internet website. Any action taken to establish or adjust annual registration and renewal fees in excess of $800 shall be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and the director shall thereafter publish those fees to the department's internet website. The initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(B) A contractor may register or renew according to this subdivision in annual increments up to three years from the date of registration. Contractors who wish to do so will be required to prepay the applicable nonrefundable application or renewal fees to qualify for the number of years for which they wish to preregister.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers' compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier, and also has not been awarded a contract for, or engaged in the performance of, work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code without being lawfully registered in accordance with Section 1725.6, within the preceding 12 months. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars ($2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its

registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

(1) The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

(2) Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

(3) The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2).

(e) The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, to any contract for public work, as defined in this chapter, executed on or after April 1, 2015, and to any work performed under a contract for public work on or after January 1, 2018, regardless of when the contract for public work was executed.

(f) This section does not apply to work performed on a public works project of twenty-five thousand dollars ($25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars ($15,000) or less when the project is for maintenance work.

(g) A contractor that has paid the registration or renewal fee and is registered under Section 1725.6 shall not pay the registration or renewal fee required under paragraph (1) of subdivision (a) to register as a contractor under this section.

(h) This section shall become operative on July 1, 2026.

SEC. 25. Section 1725.6 is added to the Labor Code, to read:

1725.6. A contractor shall be registered pursuant to this section to be qualified to be awarded contracts for, or engage in the performance of, any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) (A) Register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of four hundred dollars ($400) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The director may establish and adjust annual registration and renewal fees of up to $800 by publishing the fees on the department's internet website; those actions shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Any action taken to establish or adjust annual registration and renewal fees in excess of $800 shall be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and the director shall thereafter publish those fees to the department's internet website. The initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(B) A contractor may register or renew according to this subdivision in annual increments up to three years from the date of registration. Contractors who wish to do so will be required to prepay the applicable nonrefundable registration or renewal fees to qualify for the number of years for which they wish to preregister.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers' compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage and skilled and trained workforce requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not been awarded contracts for, or engaged in the performance of, work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code without being lawfully registered in accordance with this section, within the preceding 12 months, and also has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with Section 1725.5, within the preceding 12 months. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars ($2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from engaging in the performance of any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) A contractor that has paid the registration or renewal fee and registered under Section 1725.5 shall not pay the registration or renewal fee required under paragraph (1) of subdivision (a) to register as a contractor under this section.

(e) Pending the issuance of new rules and regulations to implement this section, Sections 16410 to 16418, inclusive, of Title 8 of the California Code of Regulations shall apply.

(f) This section shall remain in effect only until July 1, 2026, and as of that date is repealed.

SEC. 26. Section 1725.6 is added to the Labor Code, to read:

1725.6. A contractor shall be registered pursuant to this section to be qualified to be awarded contracts for, or engage in the performance of, any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code. For the purposes of this section, “contractor” includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) (A) Register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The director may establish and adjust annual registration and renewal fees of up to $800 by publishing the fees on the department’s internet website. Any action taken to establish or adjust annual registration and renewal fees in excess of $800 shall be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and the director shall thereafter publish those fees to the department’s internet website. The initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(B) A contractor may register or renew according to this subdivision in annual increments up to three years from the date of registration. Contractors who wish to do so will be required to prepay the applicable nonrefundable registration or renewal fees to qualify for the number of years for which they wish to preregister.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers' compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage and skilled and trained workforce requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not been awarded contracts for, or engaged in the performance of, work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code without being lawfully registered in accordance with this section, within the preceding 12 months, and also has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with Section 1725.5, within the preceding 12 months. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars ($2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from engaging in the performance of any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) A contractor that has paid the registration or renewal fee and registered under Section 1725.5 shall not pay the registration or renewal fee required under paragraph (1) of subdivision (a) to register as a contractor under this section.

(e) Pending the issuance of new rules and regulations to implement this section, Sections 16410 to 16418, inclusive, of Title 8 of the California Code of Regulations shall apply.

(f) This section shall become operative on July 1, 2026.

SEC. 27. Section 1771.15 is added to the Labor Code, to read:

1771.15. (a) A contractor or subcontractor shall not be qualified to be awarded contracts for, or engage in the performance of, any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code, unless currently registered and qualified to perform work pursuant to Section 1725.6.

(b) Notice of the requirement described in subdivision (a) shall be included in all bid invitations and contracts for any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code, and a bid shall not be accepted nor any contract or subcontract entered into without proof of the contractor or subcontractor's current registration to perform work pursuant to Section 1725.6.

(c) The department shall maintain on its internet website a list of contractors who are currently registered to perform work pursuant to Section 1725.6.

(d) A contract entered into with any contractor or subcontractor in violation of subdivision (a) shall be subject to cancellation, provided that a contract for work on projects or developments subject to the requirements of Section 65852.24, 65912.130,

65912.131, or 65913.4 of the Government Code shall not be unlawful, void, or voidable solely due to the failure of the developer, development proponent, contractor, or any subcontractor to comply with the requirements of Section 1725.6 or this section.

(e) If the Labor Commissioner or their designee determines that a contractor or subcontractor engaged in the performance of any a contract for work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code without having been registered in accordance with this section, the contractor or subcontractor shall forfeit, as a civil penalty to the state, one hundred dollars ($100) for each day of work performed in violation of the registration requirement, not to exceed an aggregate penalty of eight thousand dollars ($8,000) in addition to any penalty registration fee assessed pursuant to clause (ii) of subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.6.

(f) (1) In addition to, or in lieu of, any other penalty or sanction authorized pursuant to this chapter, a higher tiered contractor or subcontractor who is found to have entered into a subcontract with an unregistered lower tier subcontractor to perform any work in violation of the requirements of Section 1725.6 or this section shall be subject to forfeiture, as a civil penalty to the state, of one hundred dollars ($100) for each day the unregistered lower tier subcontractor performs work in violation of the registration requirement, not to exceed an aggregate penalty of ten thousand dollars ($10,000).

(2) The Labor Commissioner shall use the same standards specified in subparagraph (A) of paragraph (2) of subdivision (a) of Section 1775 when determining the severity of the violation and what penalty to assess, and may waive the penalty for a first time violation that was unintentional and did not hinder the Labor Commissioner’s ability to monitor and enforce compliance with the requirements of this chapter and of the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code.

(3) A higher tiered contractor or subcontractor shall not be liable for penalties assessed pursuant to paragraph (1) if the lower tier subcontractor’s performance is in violation of the requirements of Section 1725.6 due to the revocation of a previously approved registration.

(4) A subcontractor shall not be liable for any penalties assessed against a higher tiered contractor or subcontractor pursuant to paragraph (1). A higher tiered contractor or subcontractor may not require a lower tiered subcontractor to indemnify or otherwise be liable for any penalties pursuant to paragraph (1).

(g) The Labor Commissioner or their designee shall issue a civil wage and penalty assessment, in accordance with the provisions of Section 1741, upon determination of penalties pursuant to subdivision (e) and paragraph (1) of subdivision (f). Review of a civil wage and penalty assessment issued under this subdivision may be requested in accordance with the provisions of Section 1742. The regulations of the Director of Industrial Relations, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments under Article 1 (commencing with Section 1720) and Article 2 (commencing with Section 1770), shall apply.

(h) (1) Where a contractor or subcontractor engages in the performance of any contract for work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code without having been registered in violation of the requirements of Section 1725.6 or this section, the Labor Commissioner shall issue and serve a stop order prohibiting the use of the unregistered contractor or the unregistered subcontractor on the project or development until the unregistered contractor or unregistered subcontractor is registered. The stop order shall not apply to work by registered contractors or subcontractors on the project or development.

(2) A stop order may be personally served upon the contractor or subcontractor by either of the following methods:

(A) Manual delivery of the order to the contractor or subcontractor personally.

(B) Leaving signed copies of the order with the person who is apparently in charge at the site of the project or development and by thereafter mailing copies of the order by first class mail, postage prepaid to the contractor or subcontractor at one of the following:

(i) The address of the contractor or subcontractor on file with either the Secretary of State or the Contractors State License Board.

(ii) If the contractor or subcontractor has no address on file with the Secretary of State or the Contractors State License Board, the address of the site of the project or development.

(3) The stop order shall be effective immediately upon service and shall be subject to appeal by the party contracting with the unregistered contractor or subcontractor, by the unregistered contractor or subcontractor, or both. The appeal, hearing, and any further review of the hearing decision shall be governed by the procedures, time limits, and other requirements specified in subdivision (a) of Section 238.1.

(4) Any employee of an unregistered contractor or subcontractor who is affected by a work stoppage ordered by the commissioner pursuant to this subdivision shall be paid at their regular hourly prevailing wage rate by that employer for any hours the employee would have worked but for the work stoppage, not to exceed 10 days.

(i) Failure of a contractor or subcontractor, owner, director, officer, or managing agent of the contractor or subcontractor to observe a stop order issued and served upon them pursuant to this subdivision is guilty of a misdemeanor punishable by imprisonment in county jail not exceeding 60 days, by a fine not exceeding ten thousand dollars ($10,000), or both.

(j) Penalties received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

SEC. 28. Section 1771.3 of the Labor Code is amended to read:

1771.3. (a) The State Public Works Enforcement Fund is hereby created as a special fund in the State Treasury to be available upon appropriation of the Legislature. All registration fees collected pursuant to Sections 1725.5 and 1725.6 and any other moneys as are designated by statute or order shall be deposited in the fund for the purposes specified in subdivision (b).

(b) Moneys in the State Public Works Enforcement Fund shall be used only for the following purposes:

(1) The reasonable costs of administering the registration of contractors and subcontractors to perform public work pursuant to Section 1725.5 and the reasonable costs of administering the registration of contractors and subcontractors to perform work on projects or developments subject to prevailing wage or skilled and trained workforce requirements pursuant to Section 1725.6.

(2) The costs and obligations associated with the administration and enforcement of the requirements of this chapter by the Department of Industrial Relations.

(3) The monitoring and enforcement of any requirement of this code by the Labor Commissioner on a public works project or in connection with the performance of public work as defined pursuant to this chapter, or in connection with the performance of work on projects or developments subject to prevailing wage or skilled and trained workforce requirements.

(c) The annual contractor registration renewal fee specified in subdivision (a) of Section 1725.5 and subdivision (a) of Section 1725.6, and any adjusted application or renewal fee, shall be set in amounts that are sufficient to support appropriations approved by the Legislature for the State Public Works Enforcement Fund, the statewide general administrative costs assessed to the State Public Works Enforcement Fund, and a prudent reserve amount of no less than 10 percent and no more than 20 percent of authorized expenditure levels. Any year-end fund balance in excess of the prudent reserve shall be applied as a credit when determining any fee adjustments for the subsequent fiscal year.

(d) To provide adequate cashflow for the purposes specified in subdivision (b), the Director of Finance, with the concurrence of the Secretary of the Labor and Workforce Development Agency, may approve a short-term loan each fiscal year from the Labor Enforcement and Compliance Fund to the State Public Works Enforcement Fund.

(1) The maximum amount of the annual loan allowable may be up to, but shall not exceed 50 percent of the appropriation authority of the State Public Works Enforcement Fund in the same year in which the loan was made.

(2) For the purposes of this section, a “short-term loan” is a transfer that is made subject to both of the following conditions:

(A) Any amount loaned is to be repaid in full during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the annual Budget Act for the subsequent fiscal year.

(B) Loans shall be repaid whenever the funds are needed to meet cash expenditure needs in the loaning fund or account.

SEC. 29. Section 1773.35 is added to the Labor Code, to read:

1773.35. (a) (1) A development proponent shall provide notice to the Department of Industrial Relations of any contract to perform work subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code, within 30 days of the award, but in no event later than the first day in which a contractor has workers employed upon the project or development.

(2) The notice shall be transmitted electronically in a format specified by the department and shall include the name and registration number issued by the Department of Industrial Relations pursuant to Section 1725.6 of the contractor, the name and registration number issued by the Department of Industrial Relations pursuant to Section 1725.6 of any subcontractor listed on the contract, the bid and contract award dates, the estimated start and completion dates, jobsite location, and any additional

information the department specifies that aids in the administration and enforcement of the requirements in Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code.

(b) In lieu of responding to any specific request for contract award information, the department may make the information provided by development proponents pursuant to this section available for public review on its internet website.

(c) (1) A developer or development proponent that fails to provide the notice required by subdivision (a) or that enters into a contract with or permits an unregistered contractor or subcontractor to engage in the performance of perform work subject to the requirements of Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code in violation of the requirements of Section 1725.6, shall, in addition to any other sanction or penalty authorized by law, be subject to a civil penalty of one hundred dollars ($100) for each day in violation of either requirement, not to exceed an aggregate penalty of ten thousand dollars ($10,000) for each project or development.

(2) The Labor Commissioner shall use the same standards specified in subparagraph (A) of paragraph (2) of subdivision (a) of Section 1775 when determining the severity of the violation and what penalty to assess, and may waive the penalty for a first time violation that was unintentional and did not hinder the Labor Commissioner's ability to monitor and enforce compliance with the requirements of this chapter or Section 65852.24, 65912.130, 65912.131, or 65913.4 of the Government Code.

(d) A developer or development proponent shall withhold final payment due to the contractor until at least 30 days after all of the required information in paragraph (2) of subdivision (a) has been submitted, including, but not limited to, providing a complete list of all subcontractors. If a developer or development proponent makes a final payment to a contractor after that time and an unregistered contractor or subcontractor is found to have worked on the project, the developer or development proponent shall be subject to a civil penalty assessed by the Labor Commissioner of one hundred dollars ($100) for each full calendar day of noncompliance, for a period of up to 100 days, for each unregistered contractor or subcontractor.

(e) The Labor Commissioner may issue a citation for civil penalties to the developer or development proponent pursuant to subdivisions (c) and (d). The citation shall be served pursuant to Section 1013 of the Code of Civil Procedure by first-class and certified mail.

(f) The procedure for the processing and appeal of a citation or civil penalty issued by the Labor Commissioner pursuant to this section shall be the same as that prescribed in Section 1023. For these purposes, "person" as used in Section 1023 shall include a developer or development proponent.

(g) A contractor or subcontractor shall not be liable for any penalties assessed against a developer or development proponent pursuant to this section. A developer or development proponent may not require a contractor or subcontractor to indemnify or otherwise be liable for any penalties assessed against a developer or development proponent pursuant to this section.

(h) Penalties received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

SEC. 30. Section 995 of the Unemployment Insurance Code is amended to read:

995. The department shall submit to the Legislature in January and May of each year a report on the status of the Unemployment Fund and the Unemployment Compensation Disability Fund. Each report shall include both actual and forecasted information on the fund balances, receipts, disbursements, claim data, tax rates, and employment levels.

SEC. 31. Section 14531 of the Unemployment Insurance Code is amended to read:

14531. (a) (1) There is hereby established within the Workforce Services Branch of the Employment Development Department, the Community Economic Resilience Fund Program, to build an equitable and sustainable economic recovery from the impacts of COVID-19 on California's industries, workers, and communities, and to provide for the durability of that recovery by fostering long-term economic resilience in the overall transition to a carbon-neutral economy.

(2) The branch shall administer the Community Economic Resilience Fund Program. The program shall be governed by the provisions of this chapter.

(b) (1) The program shall be administered by the Labor and Workforce Development Agency, the Office of Planning and Research, and the Governor's Office of Business and Economic Development. These three agencies shall be referred to as the Inter-Agency Leadership Team and shall jointly be responsible for planning, oversight, and decision-making, including, but not limited to all of the following:

(A) Identifying the geographic boundaries of regions in a way that prioritizes economic recovery and transition strategies and is consistent with other state definition of regional economic and labor markets.

(B) Creating program guidelines and evaluation metrics.

(C) Designing a competitive grant structure for CERF investments.

(D) Developing technical assistance and evaluation infrastructure.

(E) Tracking and reporting progress and deliverables.

(2) Program implementation shall be undertaken by the Workforce Services Branch of the Employment Development Department under the direction of the Inter-Agency Leadership Team. It is the intent of the Legislature that CERF be designed to build a more robust, sustainable, and equitable recovery across all sectors of California's economy and to provide for the durability of that recovery by fostering long-term economic resilience in the overall transition to a carbon-neutral economy.

(3) The Inter-Agency Leadership Team, as established in paragraph (1), shall develop policies for grant funds distributed in this chapter that may fund regional programs and economic development strategies that directly complement state and federal infrastructure, climate, business, and workforce investments in multiple sectors, including housing, transportation, advanced energy, broadband, and natural resources, and connect, in each of those sectors, to any existing or emerging high road training partnerships. Policies and guidelines developed under this provision shall be made publicly available on the Labor and Workforce Development Agency's internet website.

(4) (A) The Inter-Agency Leadership Team shall consist of the senior cabinet-level appointees, or their designees, representing the Labor and Workforce Development Agency, the Office of Planning and Research, and the Governor's Office of Business and Economic Development, with policy guidance from subject matter experts within those state entities.

(B) The Inter-Agency Leadership Team shall be supported administratively by the Office of Planning and Research. Administrative support shall include support for convenings, meetings, agendas, gathering, analyzing and communicating stakeholder input, and summarizing guidelines for solicitations and providing this policy guidance to the Workforce Services Branch. The Labor and Workforce Development Agency, the Office of Planning and Research, and the Governor's Office of Business and Economic Development shall sign memoranda of understanding or inter-agency agreements for purposes of confirming each of their roles and responsibilities in the Interagency Leadership Team.

(c) (1) The program shall provide financial support to establish and support high road transition collaboratives in designing region- and industry-specific economic recovery and transition strategies. The program shall include a focus on macroeconomic impacts, such as the global COVID-19 pandemic, the global transition to carbon neutrality, or the western region of the United States' acute vulnerability to climate change impacts.

(2) The program, through these collaboratives, shall support transparent and inclusive processes for shared problem solving to advance long-term prosperity and equity.

(3) The collaboratives shall work directly with the community capacity-building programs initially established by Chapter 377 of the Statutes of 2018, pursuant to Part 3.6 (commencing with Section 71130) of Division 34 of the Public Resources Code, to support active and equitable community engagement and other similar state-sponsored local and regional economic, workforce, and community development programs and initiatives. The collaboratives shall also seek out and invite into the engagement process local and regional planning efforts whose mission is aligned with the purposes of this chapter.

(4) The representation on the collaboratives shall reflect the people and economy of the region and include balanced representation from labor, business, community, government, and other stakeholders, including, but not limited to, economic development, philanthropy, education, and workforce partners to be designated in the program guidelines.

(d) Planning grants shall be awarded on a competitive basis to establish and support at least one High Road Transition Collaborative per region in areas that have had disproportionate impacts due to COVID-19. The Inter-Agency Leadership Team shall establish evaluation criteria consistent with the state planning priorities established pursuant to Section 65041.1 of the Government Code. The Inter-Agency Leadership Team shall establish additional criteria and detailed metrics in the program guidelines, consistent with the goals of the program outlined in subdivisions (b) and (c), including the following core activities:

(1) Select a skilled and impartial convener to build a collaborative, as described in paragraph (4) of subdivision (i), and facilitate and collaborate with each designated partner entity to develop the economic recovery and transition plans, to solicit, consider, and respond to comments from collaborative members, and to provide equitable public participation and input.

(2) Develop one or more regional and subregional economic recovery and transition plans addressing essential elements of a high road strategy, including economic diversification, industry planning, workforce development, career pathways for individuals with formal education totaling less than a two-year degree that lead to high road jobs, and the identification and integration of current or supplemental safety net programs. This plan shall include industry cluster and labor market analysis, with actionable research and consultation from the University of California or other expert institutions, and focus on economic

recovery, growth, and resilience across multiple sectors. The plans shall prioritize the creation of high-quality jobs and equitable access to them, and emphasize where possible the development of sustainable and resilient industries, such as renewable energy, energy efficiency, carbon removal, and zero-emission vehicles, advanced manufacturing, agriculture and forestry, and climate restoration and resilience.

(3) Disseminate these transition plans to all interested parties. The plan or plans provided by each high road transition collaborative shall be made publicly available on the Labor and Workforce Development Agency's internet website.

(e) (1) Implementation grants shall be awarded on a rolling and competitive basis. This grant program shall be structured to provide a small initial tranche of funding for economic diversification pilots with demonstrable high road elements in those regions already engaged in economic recovery and transition planning. The majority of funds shall be used to provide, through June 30, 2025, economic development grants on a rolling basis, informed by the work of high road transition collaboratives.

(2) The grant recipients shall demonstrate a plan to fully spend or obligate by December 31, 2025, all funds received pursuant to this subdivision, and shall pay all obligations by December 31, 2026.

(3) The implementation grants shall also meet all of the following requirements:

(A) Support work identified as a priority in the economic recovery and transition plan with the high road intent of this program.

(B) Demonstrate support of the regional intermediary and alignment with the economic recovery and transition plan.

(C) Support labor standards where applicable, such as prevailing wage, project labor agreements, or community workforce agreements.

(D) Address geographic equity, accounting for differences in urban, suburban, rural, and tribal communities, and emphasize investment in underserved jurisdictions.

(E) Organize strategies by industry or geography, or both, within and across regions, with the potential to focus on regionwide strategies or on one or more specific priority projects within a region.

(F) Include a range of activities related to economic diversification, including, but not limited to, creating innovation hubs for key growth industries, expanding incubator or accelerator programs that provide technical assistance for small business owners to connect to larger industry clusters, and other projects and activities that advance a high road economy.

(G) Coordinate with, advance, and complement, without supplanting, state and federal infrastructure investments.

(H) Align with regional workforce needs by linking directly to high road training partnerships or high road construction careers training programs wherever such partnerships exist or emerge in the region.

(f) The Labor and Workforce Development Agency, working with the Office of Planning and Research, and the Governor's Office of Business and Economic Development, shall manage the design and operation of all program solicitation and award processes, including the administration of and accountability for both the planning and implementation grants. The Workforce Services Branch shall manage funds and contracts under direction of the Inter-Agency Leadership Team. This includes, but is not limited to, all of the following:

(1) Solicitation, management and execution of all grants and contracts, based on guidelines developed by the Inter-Agency Leadership Team.

(2) Oversight and monitoring for fiscal integrity.

(3) Quarterly reporting to the Inter-Agency Leadership Team.

(4) Beginning December 31, 2022, annual reporting to the Joint Legislative Budget Committee and the applicable Senate and Assembly budget subcommittees. The report shall include a detailed summary of grants awarded, fiscal compliance, and progress on individual program objectives and related high road metrics, including equity, inclusivity, job quality, and sustainability, as designated in program guidelines and determined by inter-agency program staff.

(5) Commencing June 30, 2023, supplemental annual reporting to the Legislature, in accordance with Section 9795 of the Government Code, that includes a concise written discussion, based on the experience and expertise of the Inter-Agency Leadership Team and program staff, describing key findings on regional trends in sustainable economic recovery, and common challenges in the development and implementation of high road transition strategies.

(6) Procurement of a comprehensive third-party evaluation to be completed, with guidance and oversight from the Inter-Agency Leadership Team, no less than six months after all available outcome data is available.

(g) All CERF grantees shall fulfill the outcome and reporting requirements required by this chapter as established by the Inter-Agency Leadership Team and fiscal oversight by the Employment Development Department. In addition to and in alignment with paragraphs (4) and (5) of subdivision (f), these reporting requirements shall include:

(1) A detailed analysis of grantee challenges and achievements, whether relating to convening an inclusive regional planning process, developing a comprehensive high road recovery plan, or implementing a strategy to promote long-term economic resilience within the region and to create high road jobs, while transitioning to a carbon-neutral economy. This shall include measurable progress toward target outcomes, including job creation, increase in number of jobs per region, average increases in hourly wages of entered employed individuals placed in jobs, job retention, number of individuals impacted through services, such as training, supportive services, or job placement, as enumerated in CERF guidelines and individual contracts in accord with each of the above jurisdictions.

(2) A more general discussion of the challenges and opportunities of designing and implementing a high road transition vision in a particular place or industry. At a minimum, grantees shall report the number and types of stakeholders directly involved in CERF planning or project development, the nature and extent of their participation, and related efforts to build capacity among community, labor, local government, or other key stakeholder groups.

(h) A portion of grant funding may be reserved for making planning and implementation grants to Native American tribes under criteria and conditions determined by the Inter-Agency Leadership Team and consistent with the purposes of the program. Tribes are intended to have maximum flexibility in the use of the funds and to use the funds to support tribe-led economic development projects. Applying for grant funds that are awarded pursuant to this subdivision does not preclude a tribal government or group of tribal governments from applying for other implementation grants awarded pursuant to this section.

(i) For the purposes of this chapter, the following definitions apply:

(1) “CERF” shall mean the Community Economic Resilience Fund Program.

(2) “High road” has the same meaning as used in subdivision (r) of Section 14005.

(3) “High road construction careers” has the same meaning as used in subdivision (t) of Section 14005.

(4) “High road transition collaboratives” or “collaboratives” are broad-based regional groups convened by a skilled and impartial intermediary to plan for economic recovery and transition to a sustainable and equitable economic future. These collaboratives shall prioritize equity, sustainability, and job quality, and advance a shared prosperity where workers and communities across California’s diverse regions share equally in the benefits of a carbon-neutral future. Minimum membership and representation shall be as described in subdivision (c).

(5) “High road training partnerships” has the same meaning as used in subdivision (s) in Section 14005.

(j) Until July 1, 2025, the administering agency may authorize advance payments on a grant awarded under this section in accordance with Section 11019.1 of the Government Code.

(k) All criteria, guidelines, and policies developed for the administration of the program shall be exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(l) This chapter shall become operative when an appropriation is made by the Legislature for the purposes of carrying out the provisions of this chapter. The branch shall post notice of the appropriation on the home page of its internet website and send notice of the appropriation to the Legislative Counsel.

SEC. 32. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 33. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.